

4/1/80 1.50

## Steel leaders advise early return to work after 16% offer

Two main steel union leaders  
et to recommend an early  
to work and acceptance of  
extra 1.5 per cent on British  
last "final offer" as pro-

## Militants say it is not enough

Routledge  
Editor  
union leaders will  
manipulate possible return  
after 15 weeks of  
based on a marginal im-  
ment in pay proposed by  
er inquiry.  
is little doubt that the  
d general workers will  
go back for a draft  
of around 16 per cent  
out serious misgivings  
last night about the  
s of the industry's two  
unions, the Iron and  
ades Confederation and  
dional Union of Blast-  
men.  
William Sims, general  
y of the confederation,  
hat now as independent  
tee of inquiry had put  
a 1.5 per cent on the  
Steel Corporation's  
offer, the difference  
the two sides was not  
t to continue the strike  
l reaction from the  
Teesside area of the  
was that the new pay  
ductivity package would  
enough to get the Con-  
f the strike. If the  
inquiry proposals are  
"then the strike goes  
r Sims said. "And they  
make steel without us".  
oth he and Mr Hector  
general secretary of the  
necmen's union, are  
ed to arguing for a  
to work on the basis of  
f offer, to which British  
has made some minor  
on holidays and pen-  
th unions are expected  
reluctantly for accep-

its own members in the industry  
to go back "in concert with  
members of other unions on  
Wednesday, April 2".  
The engineering, electrical  
and transport workers' unions  
are expected to follow suit to-  
day, creating a movement that  
the more militant production  
workers will find difficult to  
resist.  
Without the backing of these  
unions, the steelmen could find  
themselves isolated as the  
miners were in 1926 after the  
collapse of the general strike.  
On the other hand, no  
amount of cosmetic presenta-  
tion will enable Mr Sims to  
claim the inquiry report as a  
significant victory. Its recom-  
mendations fall substantially  
short of the union's claim for  
basic rate increases of 19 per  
cent.  
After accepting the Lever  
proposals, British Steel is  
offering 11 per cent across the  
board in return for a joint  
document on changed working  
practices, job flexibility, and  
local productivity bargaining.  
Management is still looking for  
a saving of 12,000 jobs across  
the industry from this enabling  
agreement.  
In addition to this general in-  
crease, the corporation is to pay  
a guaranteed 4.5 per cent lead-  
ership payment for three months  
while the local productivity  
deals are being negotiated, as  
long as there is a return to work  
by April 8. Once such schemes  
are in operation, the corpora-  
tion, they could yield up to 10  
per cent increases in earnings.  
This is the formula proposed  
without dissent by the inquiry  
committee. Lord Lever, the chair-  
man, Sir Richard Marsh, the  
industrialist, who was the em-  
ployer's nominee, Mr William  
Keys, the priortworkers' leader,  
who was the choice of the  
unions.

Presenting its report, the in-  
quiry team said its main con-  
cern was that "this dispute con-  
tinues to bring acute hardship  
to the workforce of the steel  
industry, and is seriously  
damaging the industry and its  
business prospects for the  
future".  
The Lever report went on:  
"This can only be arrested if  
there is an early and orderly  
return to normal working so  
that all who work in the indus-  
try can seek, to their benefit,  
to improve the business per-  
formance of the corporation."  
There is the prospect of a  
further, much fuller report  
from the committee on the way  
the state steel industry con-  
ducts its affairs.  
The inquiry largely confirms  
the role of servilement sought  
by British Steel, whose manage-  
ment has consistently argued  
that in a loss-making industry  
wage rises should as far as pos-  
sible be self-financing through  
higher output and lower man-  
ning.  
The Lever report has added  
an extra £9m to £10m to the  
corporation's last "final" offer,  
but Mr Robert Scholey, the  
corporation's chief executive  
said: "We feel we can live  
with that".  
British Steel is estimated to  
have lost 10 per cent of its  
share in the United Kingdom  
market since ceasing production  
on January 2. Scholey added:  
"The strike has not done job  
prospects any good".  
If all the unions decide on  
a return to work, which could  
come as early as 6am tomor-  
row, the industry's troubles are  
by no means over.  
The corporation wants to  
start early talks on plant  
closures affecting Port Talbot,  
Llanwern, Scunthorpe, and  
Consett.  
Leading article, page 15  
Tasks remaining, page 21



Nuns leaving San Salvador cathedral during a lull in the fighting. Junta denounced, page 6.

## Mr Hunt faces loss of \$235m on silver

By Michael Prest  
and Anthony Hilton  
Mr Nelson Bunker Hunt, the  
multi-millionaire at the centre  
of last week's dramatic silver  
market slump, is facing a major  
dispute over \$400m ounces of  
silver he agreed to buy.  
The dispute is with Engle-  
hard Minerals, part of the giant  
Anglo-American Corporation.  
Mr Hunt is reported to have  
agreed to buy the silver at \$34  
an ounce. The price is now  
about \$14, so he is sitting on a  
potential loss of around \$235m.  
But Mr Ivan Irwin, a Dallas  
lawyer to the Hunt family, said  
last night that his client has  
no intention of reneging on the  
contract.  
Despite a steady flow of the  
silver market, the Hunt family  
and Anglo-American Corporation  
have been in a bitter dispute  
over the silver contract. Mr  
Hunt's brother, Herbert, and sev-  
eral Arab investors, conducted  
many of their dealings in silver  
on the Hunt contracts.  
Mr Brian Edgeley, managing  
director of Bache Halsey Stuart,  
the London commodity dealer  
arm of the Bache group, con-  
firmed the dispute. He said  
about \$50m while liquidating  
some of the Hunt's futures con-  
tracts. Part of this business was  
done through London. The sales  
had to be made in London  
because of limits on sales of  
futures contracts in New York.  
The sales were forced last  
week when the sharp fall in  
the price of silver, from \$20 to  
about \$10, forced firms to call  
for margins from their clients.  
The Hunts are believed to have  
needed margins totalling at  
least \$200m.  
Continued on page 19, col 2

## EEC sends appeal to Iran for speedy release of hostages

By David Spauler  
Diplomatic Correspondent  
In a new appeal intended to  
hasten the release of the Amer-  
ican hostages in Tehran, mem-  
bers of the heads of govern-  
ment of all EEC member  
states and Japan have been  
sent to President Abolhasan  
Bani-Sadr of Iran, it was dis-  
closed yesterday. The message  
from Mrs Margaret Thatcher  
was sent over the weekend  
through diplomatic channels,  
but its contents have not been  
disclosed.  
The move represents a  
coordinated western effort to  
persuade Ayatollah Khomeini  
and Iran's ruling Revolutionary  
Council to reconsider the deci-  
sion that released the hostag-  
es. The move follows the par-  
liamentary election, now that  
the second ballot has been de-  
layed.  
European governments are  
concerned that the pressure on  
President Carter to take more  
vigorous action could lead to a  
renewal of the campaign for

economic sanctions against Iran.  
The general view is that such  
action would only complicate  
matters and quite probably  
have the effect of making the  
hostages even more difficult  
for the Iranian authorities to deal  
with.  
The messages have been sent  
separately although the am-  
bassadors of Community coun-  
tries in Tehran have been working  
closely throughout the crisis. It  
was their advice, according to  
reports disclosed 10 days ago,  
that because the hostages issue  
was political it would be a  
serious mistake to revive the  
idea of economic  
sanctions.  
The EEC envoys said that if  
the United States did take such  
a course, European countries  
should be careful about how  
they became involved, because  
United States policy had been  
changeable in the past.  
Message clarified: The mystery  
surrounding messages allegedly  
sent from Washington to the

## President Brezhnev emerges for his prize

From Michael Birton  
Moscow, March 31  
At a Kremlin ceremony to-  
day President Brezhnev re-  
ceived the Lenin Prize for  
literature, awarded to him last  
year from his three volumes  
of reminiscences, and suggested  
that if he had time and was  
still able to would continue  
his writings.  
Making his first public ap-  
pearance in three weeks, the  
party leader, aged 73, said he  
was deeply grateful for the  
prize—the country's highest  
literary award—and hoped his  
books had helped Soviet youth  
to understand the development  
of communism since the Rev-  
olution, and the second World  
War.  
The ceremony, shown on the  
main evening television news  
bulletin, was to have taken place  
last week, but was apparently  
cancelled at the last minute be-  
cause of Mr Brezhnev's sudden  
illness.  
The Soviet leader said he  
wanted his three books—*Little  
Lands*, *Rebirth*—and *As  
Lands*—to be seen not as  
memoirs but as a way to help  
young people use the experi-  
ence of the past.  
The three volumes, published  
over the last five years, to-  
gether praise Soviet  
critics and extolled by leading  
critics as a paragon of Soviet  
literary style, detail Mr  
Brezhnev's wartime exploits in  
the Caucasus, his work during  
the post-war reconstruction  
in the Ukraine and his part in  
the development of the Kazakhstani  
steppe land for agriculture.  
I am not a writer but a  
party functionary," Mr Brezh-  
nev declared in his acceptance  
speech. "But as every Commun-  
ist, I consider myself mobil-  
ized by party propaganda, and  
see my duty in actively partici-  
pating in the work of our  
press."  
He said he grew up in a  
working-class environment, be-  
gan life at a factory and would  
always gratefully remember  
that time.  
But the Soviet leader took  
the opportunity to criticize the  
official propaganda of today  
for its "thoughtless and heart-  
less formalism, the inclination  
to ideological work needed to be  
brought up to a new level to  
satisfy the time and needs of  
the Soviet people."  
But in a wistful note the  
ailing leader, who has made  
few public appearances in the  
last six months, said: "Time is  
passing. It cannot be stopped."  
This imposed a special respon-  
sibility on his generation to  
pass on their experience to  
young people.  
"I think at times that events  
which, in effect, are not that  
distant, are legendary for them."  
Photograph, page 6

## ston Martin takes er MG marque

ward Townsend  
agreed in principle to sell  
the sports car factory at  
Abingdon in Berkshire yester-  
day to a consortium led by  
Martin Lagonda. The  
firm has also won an ex-  
world licence for the use  
MG marque follows negoti-  
ations which began last Novem-  
ber and which have been  
marked by speculation and  
of BL's decision to  
out production of the  
the latest in a series of  
cars whose pedigrees is  
renowned.  
Friday's deal marks the  
the consortium's attempts  
to take over the MG  
company, including the mar-  
que, has made clear that the  
time is too valuable to self-  
liquidate the consortium itself  
in the future to abandon  
production the name will  
to BL.  
The consortium was re-  
ached at a meeting be-  
tween Mr Alan  
Aston Martin's chair-  
man, who has recently be-  
come the consortium by  
George Brown and Mr  
Horrocks, BL's managing  
director.  
The consortium comprises  
Carson, British Car  
and North-West-Holst the  
three main shareholders.  
The deal stressed that the  
time was in principle and  
details were not dis-  
cussed. Earlier speculation  
had suggested BL had offered  
£30m but this was  
said to include the pur-  
chase of the marque.  
The consortium will take  
over the legal and technical  
aspects of the MG brand  
as well as the supply of com-  
ponents to MG's new owners,  
a joint statement, BL and

## UN names the day on Namibia

New York, March 31—Dr  
Kurt Waldheim, the United  
Nations Secretary-General,  
today proposed June 15 for  
the implementation of a United  
Nations plan for independence  
for Namibia (South-West  
Africa).  
Reporting to the Security  
Council on recent negotiations  
on the future of the territory,  
Dr Waldheim said the point  
had been reached where the nec-  
essary political decisions had to  
be taken to proceed from the  
discussion to the implementa-  
tion stage.—Agence France

Mr Brian Edgeley, managing  
director of Bache Halsey Stuart,  
the London commodity dealer  
arm of the Bache group, con-  
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tracts. Part of this business was  
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The sales were forced last  
week when the sharp fall in  
the price of silver, from \$20 to  
about \$10, forced firms to call  
for margins from their clients.  
The Hunts are believed to have  
needed margins totalling at  
least \$200m.  
Continued on page 19, col 2

## Shah's cancer spreading to liver

From Our Correspondent  
Cairo, March 31  
The former Shah of Iran is  
suffering from cancer that has  
spread to his liver, a leading  
Egyptian doctor said today. He  
added that the disease could be  
controlled by drugs and that  
the Shah may follow a normal  
life as long as God grants it to  
him.  
Dr Fuad Nur, the head of the  
tumor section at the Masadi Mil-  
itary Hospital where the Shah  
is being treated, was explaining  
to reporters a cryptic medical  
bulletin. It said that tests on  
samples of the Shah's liver  
tissues, and on the removed  
spleen showed he was suffering  
of "lymphatic swelling in the  
two organs".  
Dr Nur who operated on the  
Shah's spleen said that he and  
the team of doctors treating  
the Shah believed that the  
disease could be controlled  
through treatment with chemi-  
cals. The liver, in such cases, is  
not removed.  
The Shah had his spleen  
removed on Friday. The medi-  
cal bulletin said he was  
recovering well and was allowed  
to walk in his room.  
His bone marrow was "func-  
tioning normally". This meant,  
according to the physician,  
that it was generating red blood  
cells again.  
Dr Nur expects the Shah to  
leave hospital early next week  
and live with his family in  
Egypt.

Mr Nabawy Ismail, the Min-  
ister of the Interior, confirmed  
to Parliament, that Moslem  
fundamentalists (known to op-  
pose the Shah's presence in  
Egypt) clashed with riot police  
in Assiut, in Upper Egypt. Six  
policemen and five demon-  
strators were kept in custody.  
He did not specify why the  
Shah's presence in Egypt was  
resisted. He said only that the  
fundamentalists demonstrated  
and tried to march through the town.  
Witnesses said the demon-  
strators chanted slogans against  
the Shah and the police used  
tear gas to disperse them.



## Heart transplant patient dies after two months

Annabel Ferriman  
Health Service Correspondent  
Ronald Marney, Britain's  
first heart transplant patient,  
on Sunday only two months  
being given a new heart  
at Harefield Hospital, west  
London.  
Marney, aged 50, from  
Leamington Spa, Warwick-  
shire, had suffered from  
coronary artery disease and  
died despite intensive  
treatment by Mr Dr  
Yacoub the surgeon, to  
reverse the rejection under-  
gone.  
His death means that two out  
of three of the heart trans-  
plants at Harefield Hospital  
now died. Mrs Dorothy  
Marney, 48, who was  
died at the hospital  
month after developing a  
fatal imbalance in her  
blood pressure.  
Marney had been given  
transplants in the  
last 15 months, and one of  
his patients, Mr Kenneth  
Castle, has lived for eight  
months with his  
new heart.  
A spokesman for Harefield  
Hospital said yesterday: "The  
sense of loss at the hospital is  
considerable. Mr Marney had  
become quite a well-known  
figure and Mrs Marney has  
been almost a member of the  
Harefield family."  
Mrs Marney, who is a psychi-  
atric nurse, was back in  
Wakefield yesterday making  
arrangements for the funeral.  
Mr Marney leaves three sons.  
Harefield's two other trans-  
plant patients, Mr James  
Burkhill, aged 48, and  
Derrick Morris, aged 49, were  
said to be doing well yester-  
day. The hospital spokesman  
said that he did not know of  
any reason why the success rate  
at Papworth Hospital should be  
higher than that at Harefield.

## British checks on North Sea rigs

Three North Sea oil exploration rigs similar in  
design to the stricken Alexander L. Keilland are  
to get safety checks by Department of Energy  
inspectors in the next few days. None is used  
for accommodation and they are continuing  
drilling. All have been inspected since the  
disaster. The Norwegian Government's  
inquiry team has said that the rig was  
observed a day of mourning for the oilworkers  
who perished in the disaster.  
Page 2



Jesse Owens in action at the 1936 Berlin Olympics. The American athlete, who won four gold medals in the games and was snubbed by Hitler, died in Tucson, Arizona, yesterday. He was 66, and had been suffering from cancer. Page 16

## Jury vetting ban refused

Judge Pickles refused at Barnsley Crown Court to  
revoke an order he had made granting two  
police officers, accused of assault, the right to  
vetting. Earlier this month the Court of Appeal,  
which was asked for a ruling, described jury  
vetting as "unconstitutional".  
Page 4

## Kennedy revival

Life and money are flowing into Senator Edward  
Kennedy's campaign after the New York and  
Connecticut primaries. He is now being greeted  
by cheering, enthusiastic crowds wherever he  
goes in Wisconsin where there is expected to be  
a high turnout.  
Page 8

## Oak tree parliament

Newly elected deputies gathered under an oak  
tree in Guernica for the first meeting of the  
Basque Parliament. The ceremony was boycotted  
by 11 deputies representing the political wing  
of the ETA guerrilla movement.  
Page 5

## Rates advice obeyed

Figures published by the Rating and Valuation  
Association indicate that local authorities have  
obeyed government advice not to raise a penny  
more than necessary.  
Page 2

## Far cuts: British Airways is hoping to cut fares to 15 European cities from Britain by up to £50

Middle East: Begin Government faces growing  
unpopularity, poll shows.  
Page 6

## Classified advertisements: Appointments, pages 24, 26, 27; Personal, 27, 28; Sale Rooms and Antiques, 25

Obituary, page 16  
Professor Alan Davies, Mr Tom  
Freeman, Arts, page 9  
John Russell Taylor investigates  
the painters' own choices of paint  
ings in the Fickling for an  
Exhibition show at Whitechapel;  
Patrick J. Smith reports from New  
York on Mazon Lescat at the  
Metropolitan Opera, with Domingo  
and Scotti  
Business News, page 18-19  
Stock Markets: A possible end to  
the steel strike lifted glits and  
equities although trading was  
described as thin. The FT Index  
closed 5.5 up at 427.0.  
Financial Editor: Inflation  
around; Ocean Transport turn-  
around  
Business features: Peter Hill on  
the British Steel Corporation's re-  
organisation plans; the usefulness  
of company accounts is examined  
by Adrienne Gleeson; Dennis  
Stuart discusses the insurance risks  
of North Sea installations.

## Welsh arson charges imminent

From Tim Jones  
Cardiff  
Police in Wales said yester-  
day they expected to charge a  
number of people in connexion  
with the midday home fire  
before the end of the week.  
Since the arson campaign began  
last December, 31 properties  
have been damaged or de-  
stroyed.  
About 16 people are still be-  
ing detained by police forces  
throughout the Principality  
since the big round-up opera-  
tion on Sunday in which more  
than 300 policemen took part.  
Those still in custody are being  
denied access to lawyers and  
friends.  
The wide-scale arrests have  
been criticised by nationalists  
in Wales but Det Chief Supt  
Pat Molloy, head of the Dyfed-  
Powys CID, said: "Those who  
criticise the police behaviour  
would be wise to bite their  
tongues until the full facts are  
known".  
Det Chief Supt Eric Evans  
head of North Wales CID, said  
yesterday that some of the sus-  
pects faced "serious charges".

## Exposed: the real Sherlock Holmes

Startling new insights into  
the strange character of the  
famous detective Sherlock  
Holmes emerge today after  
the discovery of private  
papers belonging to Holmes's  
physician, Dr Moore 'Agar'.  
The papers, found at a house  
in Harley Street, show that  
Holmes was mentally un-  
stable, callous, and vindictive.  
They also prove that his  
notorious "enemy" Profes-  
sor Moriarty, did not exist—  
he was invented by Holmes  
on the brink of a mental  
breakdown.  
Full report, page 17

**Rolex at Garrard**

The movement of the watch you buy at Garrard will be guaranteed for two years, quite unconditionally and irrespective of the makers' warranty. You will choose it from a comprehensive selection of the finest watches in the world—and you will have knowledgeable and helpful assistance in making your choice.

Gentleman's Day-Date Oysterquartz Chronometer with integral bracelet, in 18ct gold £4,769.

A copy of the Watch Catalogue is yours—just for the asking.

**GARRARD**  
The Crown Jewellers

112 REGENT STREET, LONDON W1A 2J • TELEPHONE: 01-734 7620



## Strike-bound BSC faces market threat from foreign suppliers

**Shotton (Our Nor-**  
**trial Correspondent)**  
The Hadfields to Mr. Dean Norton, a man, met Dean Norton, hope to hold discussions with local union officials. said: "Even after visit there will still to discuss".

**Pesterday** iron making operations Shotton with the lo than 7,000 jobs.

**Dock strike toll:** with vessels strike port of Liverpool and to £10,000 a day. Old are being diverted neutral ports, and 5 time in about 150 passenger sailings been pool and Dublin a has been broken.

Those are among being counted on the the total stoppage dockers and other goes into its sea. Weekend talks between representatives of employers again and the strike is again near the end.

4. In the corresponding tonnes in the first two months of or the British Steel plant at wide work stoppage.

# Trade union official gets war

By Hugh Noyes  
Parliamentary Correspondent  
Westminster

Mr Patrick Jenkins of the State for Scotland gave a warning in London yesterday to union officials to represent players in his team.

The official, he said, that it was peaceful servants would operate with the C. Budget proposal.

The £12 would be assumed supplementary benefit by strikers.

Mr David Heywood, secretary of the Civil and Public Service Department of the Social Security, said to a newspaper that unionists working in

managers' differentials over below that level.

The Chancellor's over strike pay was attacked on strikers affected by the co: of an industrial di: Heywood wrote.

During the opening, on the third day of t debate, Mr. Stanke Opposition spokesma: social services, chall Jenkins to give his vi: letter.

The Government : bullets and created :

Mr Jenkins inter-  
viewed that Mr Heywood  
stepped the mark by  
trade union officials  
should public service  
should not involve i  
in Government pol  
Heywood was not an  
of his department,  
questioned the legitim  
threat.

**Parliamentary report**

**ings**

NOON TODAY

the S, but periods of weather are also likely, between N and W. A large amount of fine, settled snow is expected later in the month. Temps will probably average in all districts. T. will be likely to be above average in Scotland, Wales and the NW, and below average in the S and elsewhere. The incidence of rain and snow is expected to average.

**Overseas selling prices.**

Argentina	\$1.60	India	1.00
Australia	1.00	Indonesia	1.00
Brazil	1.00	Japan	1.00
Canada	1.00	Malaysia	1.00
Denmark	1.00	Philippines	1.00
France	1.00	Portugal	1.00
Germany	1.00	Spain	1.00
Greece	1.00	Switzerland	1.00
Holland	1.00	U.K.	1.00
Italy	1.00	U.S.A.	1.00
Japan	1.00		
Malaysia	1.00		
Philippines	1.00		
Portugal	1.00		
Spain	1.00		
Switzerland	1.00		
U.K.	1.00		
U.S.A.	1.00		

All quotations are in pence per ton.



## HOME NEWS

## A plans cuts up to 50 on flights 15 European cities

Arthur Reed, Correspondent  
British Airways claimed yesterday that it was on the verge of a great breakthrough which could lead to flights to 15 European cities from destinations in this country being £50 cheaper by November.

Mr Reed said that talks with a number of European airlines had been going on over the last few weeks with a view to ending a reduced-fare agreement which it introduced last year with Air France on London-Paris routes.

Under the scheme first-class fares are removed to be replaced by club class, for the business traveller. The new class is to be replaced by a single class, with a selection of fares aimed mainly at business going on holiday.

Roy Warris, chief executive of British Airways, said yesterday that the response in talks from European airlines had been more positive than expected. He said that the airline service between London and Paris was not under way, but that the airline was expected to be in a position to start service by the end of the year.

## Minister allows a private bus service

Michael Bailey, Correspondent  
The Minister of Transport, Mr Norman Fowler, has announced that he will allow a private bus service to operate in the West Midlands.

Mr Fowler said that the service would be operated by a private company, and that it would be subject to the same regulations as the public bus service. He said that the service would be a trial, and that it would be reviewed after a year.

## e of Man not curb migration

Our Correspondent  
The Isle of Man has decided not to curb migration, despite the fact that the island's population is increasing. The decision was made by the Isle of Man's government, which said that it was not in a position to do so.

## Unmarried fathers to pay for children, court rules

The fathers of unmarried children must pay for their upkeep, the court has ruled. The decision was made by the High Court, which said that the law required fathers to pay for their children's maintenance. The court said that the law was clear, and that it was not in a position to do otherwise.

## Alcohol maker fined £200

Our Correspondent  
A man who made alcohol at home has been fined £200 for doing so. The man, who was named as Mr. [Name], was found to have made alcohol in his home, and was fined for doing so. The court said that the man had broken the law, and that he was liable for the fine.

with Iberia, of Spain, Alitalia, Austrian Airlines and Scandinavian Airlines.

By November 1 cheap fares could be available on routes between London and Nice, Marseille, Bordeaux, Lyons, Amsterdam, Brussels and Luxembourg; from Manchester to Paris, Amsterdam, Nice and Brussels; from Birmingham to Paris, Amsterdam and Brussels; and from Glasgow to Paris.

Not all of BA's efforts to change the face of air travel in Europe are going well. Luftansa, the West German airline, has declined to do away with first class. The French Government has refused to give permission for a £30 single "Chunnelhopper" London-Paris fare.

Mr Warris, in his announcement yesterday, tilted at both Sir Freddie Laker, who had applications for 630 routes in Europe rejected recently, and at British Caledonian, which was awarded a restricted number.

He said that while some airlines had been shouting "foul", BA had been hating hard behind the scenes in Europe and scoring a very considerable success among airlines there.

Almost 1,500,000 passengers were expected to travel on BA services to destinations where there would be reductions by November. The cuts would be between 18 and 30 per cent on the lowest fares now available.

and commuters with freedom of choice.

Workers at the BSR factory at Cradley Heath persuaded a private operator, Holdens Coaches of Dudley, to put on a service.

But the licence was revoked and the service stopped last year after the executive appealed to the transport minister of the previous government that it was taking passengers from its own buses. The executive admitted that its normal services from bus operators factory traffic, but offered to put on an extra bus.

Holdens applied for another licence last March, the executive again appealed, and it was that appeal which has now been dismissed.

Mr Clarke said: "This case has been sorted out by an appeal to the minister. But when we have changed the law, workers and employers will be able to enter into contracts for services from bus operators which will not require a road service licence at all."

## £750,000 fire damage by boys at school

From Our Correspondent Manchester  
Two pupils plotted to set fire to their high school in the Greater Manchester district because one of them had a grudge against his teachers. It was stated at Manchester Crown Court yesterday. Petrol was poured over paper in a classroom and one of the boys started a blaze which badly damaged the school, causing £750,000 of damage.

One boy, aged 16, was sent to borstal and the other, aged 15, was sent to detention for three months after both admitted arson.

Mr Martin Allweis, for the prosecution said 10 fire engines and more than 60 firemen fought the fire. The school had to be rebuilt.

Mr Justice Purchase said that Parliament clearly intended that parents, whether or not they lived together, should be responsible for the maintenance of their children. If an unmarried mother was not prepared to take action against a father who shirked paying, then the commission had the legal right to take action.

The commission spokesman who was in court said: "This decision undoubtedly affects a great many cases. Often unmarried mothers, for one reason or another—sometimes they are scared of the fathers—will not take action to make sure they get the financial support for their children that they are entitled to. Instead they survive on state aid."

prosecution, said that people bought the alcohol because it was cheap. Police and customs officers found 15 gallon of clear spirit of 70 degrees proof, the equivalent of vodka. Mr Dangerfield said that home distilling was dangerous because there was a slender borderline between producing drinkable alcohol and deadly poison. Mr Michael Morris, for the defence, said that the alcohol was drunk at parties and was not sold.

## Whitehall brief: Press self-censorship over spies proves ambivalent in civilian politics D-notices face challenge as disclosure practice grows

By Peter Hennessy

On the first three Fridays in February the *New Statesman* published a series of articles by Mr Duncan Campbell on telephone tapping, the location of the headquarters and outposts of MI6 and MI5, and the activities of the two agencies, which drove a coach and horses through at least two D-notices, No 10 on British intelligence services and No 11 on ciphers and communications.

Mr Bruce Page, editor of the *New Statesman*, did not bother to consult the loose-leaf folder of D-notices in his office before publishing the pieces. He said last week: "I do not believe the D-notice system has any validity today."

The D-notice committee is 68 years old this year. It is a product of the pre-1914 German spy mania that gave us MI5 in 1909, the Official Secrets Act and MI6 in 1911. It is an institution that causes wonder in foreign journalists, relying, as it does, on the voluntary agreement of British journalists and broadcasters not to publish information covered by the 12 D (for defence) notices.

A local authority had remained blissfully unaware of its legal duty to protect people from the risk of injury caused by defective buildings. Mr Justice Wood said in the High Court yesterday.

The chief housing surveyor and his staff had never even heard of the Defective Premises Act, 1972, until the council was

North American newspapermen in particular, are prone to describe the system as a classic example of self-censorship by the British press whose representatives sit on the Defence, Press and Broadcasting Committee under the chairmanship of Sir Frank Cooper, Permanent Secretary to the Ministry of Defence, and alongside senior civil servants from the Home Office and Foreign and Commonwealth Office who speak, respectively, for MI5 and MI6. No D-notice can be promulgated without the approval of the committee.

The D-notice committee touches a strand of deep ambivalence in many British journalists, including those who are firmly opposed to the excessive secrecy of Whitehall.

The growth in Britain of "whistle-blowing" journalism (blowing the whistle on the secret parts of the state and its servants by disclosing their activities) would seem to have sealed the fate of the D-notice system. If the late Lord Radcliffe is to be believed, Reports to the Prime Minister on a particularly messy fracas between the Wilson government



Rear-Admiral Ash: Discussing justification for system.

and the *Daily Express* over what is now notice No 11 in 1967, Lord Radcliffe wrote: "The terms of notice do not seem to be agreed that nearly every breach that has occurred has been attributable to inadvertence and a deliberate refusal to comply with a D-notice is extremely rare. If it were otherwise, the system

would have long since broken down, for unless D-notices are to be generally observed as a matter of obligation between each newspaper and the others as well as between all newspapers and the Government, it is obvious that single newspapers cannot be expected to continue to observe them when they are ignored by other newspapers who may be in competition with them."

The present Secretary of the D-notice committee, Rear-Admiral William Ash, who succeeded Rear-Admiral Kenneth Farnhill on January 2, is engaged in a correspondence with Mr Page about the continued justification of the system. There is a private debate of considerable public importance.

Mr Page said last week: "The system is working as well as a common, easily-defined system, and that the intelligence services are small-scale and operate exclusively against outside forces. They are very big now. They have grown in scope and technical capacity and have all sorts of implications for internal politics. It is illegitimate to put their wartime remit into a much more complex system of civilian politics. There is a real difference between tracking down the odd German spy and defining

whole classes of domestic politics as subversive."

The Civil Service members of the D-notice committee are not prepared to speak publicly on the matter. But last week a senior figure in the defence community indicated that Whitehall was "not particularly worried by Mr Campbell's revelations about security and intelligence matters. The prime purpose of the D-notice system, he argued, was to keep information about weapons out of the public prints and that, to date, it had been "almost 100 per cent efficient" on that score.

Lord Radcliffe's 1967 judgment, in retrospect, to be wrong. Despite the "whistle-blowers", most sections of the press continue to observe the notices. Admiral Ash may, in the words of one insider, be a "legal fiction" (the committee has no legal basis or direct connection with the Official Secrets Act), but his recent appointment to the £15,000-a-year post and the sustained enthusiasm of the defence community for his work, suggests there is every sign of continued life for this strange and very British institution.

## Council was 'unaware' of legal duty

A local authority had remained blissfully unaware of its legal duty to protect people from the risk of injury caused by defective buildings. Mr Justice Wood said in the High Court yesterday.

The chief housing surveyor and his staff had never even heard of the Defective Premises Act, 1972, until the council was

sued for damages by a widow of 63, who was injured when rotten floorboards gave way in her sister's council house.

He said Taff-Ely Borough Council, in Mid Glamorgan, "cannot be excused for such a lack of knowledge."

He awarded £5,100 damages to Mrs Kathleen Clarke, of Beech Tree Way, Nelson, Mid

Glamorgan. She was standing on a table helping her elder sister to decorate her home at Poplar Road, Rhydyfelin, Pontypridd, when one of the table legs dropped through the rotten floor.

Her action is believed to be the first of its kind in which a local authority is held liable under the Act.

## Bible and homosexuality

Homosexual activity is condemned in a book published yesterday.

Written by three prominent Anglican churchmen, the book contradicts the recent Church of England report giving qualified approval to homosexual relationships.

It calls on all Christian homo-

sexuals to abstain from physical relationships, saying: "Homosexuality, adultery, bestiality and fornication are all explicitly and consistently expounded throughout the Bible."

The authors are David Hollis, Michael Green and David Watson.

The Church and Homosexuality (Routledge and Kegan Paul, £1.25).

## Kampuchea. History Repeated?

In his article on Indo-China in *Turmoil*, Milton Osborne sets the recent Vietnamese invasion of Kampuchea in its historical context. Vietnam's expansionism is not a new phenomenon. Nor is its enmity with China.

## Our Saint and his Dragon.

In celebration of St. George's Day, P.J. Hogarth writes on the Patron Saint of England and his Dragon.

Other articles in this month's History Today include:

'The Norman Conquest of the English Language'—H. R. Loyn.

'Walpole's Constituency: King's Lynn'—Sydney Wood.

'Guadeloupe: 1799—1803: a Haiti Manqué'—H.J.K. Jenkins.

Monuments—The Birth of the Albert Memorial.

Special Review—Paul Dukes on recent World Histories.

## News of the History World and Book Reviews.

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## HOME NEWS

# Review of 1361 Act ordered after protest by judiciary and MPs at magistrates' binding-over power

By Frances Gibb

The Government has ordered a review of the fourteenth-century Act that gives magistrates power to bind over witnesses to keep the peace, after concern among some MPs that the law might be abused.

Mr Leon Brittan, Minister of State at the Home Office, said yesterday that he had asked the Law Commission to look at the power embodied in the Justice of the Peace Act, 1361, in the context of its forthcoming review of the common law offences relating to public order.

The review comes after protests by MPs, civil rights groups and members of the judiciary that magistrates were discouraging witnesses from giving evidence by the way they were using the law.

Under the Act, the oldest listed in *Stones's Justice Manual*, the standard reference book for magistrates, MPs can bind over not only defendants but also

witnesses, solicitors or even onlookers in the public gallery, on pain of imprisonment.

Recently three *hust* saboteurs appeared as prosecution witnesses at the magistrates' court at Rye, Sussex, where hunt followers were charged with actual bodily harm.

Two of the saboteurs were jailed for six months when they refused to agree to be bound over to keep the peace for a year in the sum of £50. They were later released from prison after changing their minds.

The review was welcomed by the National Council for Civil Liberties, which said it would be submitting evidence to the commission in the hope that it would agree that the powers were "arbitrary and unjust" and "undermined public confidence in the law".

It was also hailed by the Joint Council for the Welfare of Immigrants, which has sought reform of the powers since two black witnesses were bound

over after appearing for the defence in cases arising from the Southall riots last April.

Mr Ian Martin, general secretary, said: "Obviously a review is clearly needed of this extremely outdated legislation. But the 22,000-member Magistrates' Association said it had not changed its view since 1977 that the time was not opportune for a review."

Mr Geoffrey Norman, the secretary, said: "There is no evidence to suggest that magistrates are using these powers inappropriately or unjustly. A number of occasions hit the headlines, but these are very few indeed. Although the powers are wide, in general they are exercised with restraint."

Binding over is most common in domestic arguments which end up in court, when parties are ordered to undertake to keep the peace and be of good behaviour. The number of cases of binding rose from 5,387 in 1975 to 7,263 in 1978.

## Judge refuses to revoke jury vetting order in spite of court ruling

In spite of a statement earlier this month that the Court of Appeal had ruled that jury vetting was "unconstitutional", Judge Pickles at Barnsley Crown Court, South Yorkshire, yesterday refused to change a ruling he had made.

He rejected an application to lift an order he had imposed granting two policemen the right to vet jurors due to try them on assault charges.

The order was challenged by Mr James Brownlow, Chief Constable of South Yorkshire, who sought a ruling from the Court of Appeal.

Lord Denning, Master of the Rolls and two other judges in the Court of Appeal, had struck the practice of vetting jurors.

Judge Pickles, in a reserved judgment yesterday, said he saw no reason why people in the dock should not be allowed to vet jurors.

He did not want the Court of Appeal to think he had misunderstood the issue or that he was just being stubborn. In his view the Attorney General and the Director of Public Prosecutions had put themselves in an impossible position by supporting the guidelines laid down in 1975, which permitted jury vetting in rare cases, and opposing vetting by the defence.

He said: "They are trying to have it both ways. I say they cannot. The public will not like it, and neither do I."

"If there is any jury bias one way there is jury bias the other way. If it is sometimes right for the prosecution to vet, it cannot be always wrong for the defence to have vet found it right to act on the directives of the Court of Appeal."

The judge involved in the trial of prison officers accused of assaulting inmates during the Hull jail riots granted the

defence a vetting order to guarantee impartiality of the jury. I feel bound to follow that judge's position and line of reasoning."

Presumably the whole law on jury vetting would be in due course to be authoritatively qualified and codified by Parliament, there being "no effective appeals against decisions such as mine."

He added: "Meanwhile, the floodgates will not be opened. Few defendants will qualify for a vetting order. Applications to me will be closely scrutinized. I will hear them in chambers. I do not want to worry jurors unnecessarily."

He ordered that 25 names from the jury panel for the forthcoming trial should be vetted through a check with the criminal records office.

Mr Brownlow said later: "I will abide by the judge's direction."

## Ulster plan expected next month

From Christopher Thomas

Belfast

Four senior Cabinet ministers met last week to assess the prospects for early political reform in Northern Ireland. As a result Northern Ireland Office officials will prepare proposals on power devolution and report back to the group in a matter of weeks.

There is a widespread determination to try to report to Parliament with some clear-cut ideas in May, although final legislative proposals are unlikely to be put to the Commons until late in the year.

The speed at which political events are unfolding is thought to be the result of personal pressure by the Prime Minister, Mr Margaret Thatcher, whose determination to institute change in Ulster is acknowledged on both sides of the border.

An informal inner circle of five Cabinet ministers known as the "Whitehall Group" has the task of agreeing plans for reform which can be put to the full Cabinet for ratification.

Because of the exceptional atmosphere of urgency, it decided at short notice to meet last Thursday afternoon without Mr Francis Pym, Secretary of State for Defence, who has just returned from China and is busy on the Defence White Paper.

Mr Humphrey Atkins, Secretary of State for Northern Ireland, gave the group the reasons behind the disappointing outcome of the constitutional conference he conducted at Stormont over nearly three months. He remains determined to try to restart the conference after he has announced a firm decision on devolution in the Commons.

The "Whitehall Group" intends to meet again soon after Parliament returns from recess on April 14 and it will expect to have draft proposals before it from the Northern Ireland Office. Although the decision on what to report to Parliament rests with the full Cabinet, it is clear that the main shape of government strategy will be moulded by the group.

A date will be fixed shortly for a meeting in Dublin of Mr Brian Lenihan, the republic's Foreign Minister, and Mr Atkins. It is likely to be towards the end of this month when Mr Atkins will have a clearer notion of the likely shape of his proposals to Parliament. The two men have never met.

The meeting will pave the way for the first formal meeting between Mrs Thatcher and Mr Charles Haughey, the republic's prime minister.

Mr Haughey has declared Northern Ireland to be his top priority and has assumed control of strategy as did his predecessor, Mr Jack Lynch.

## Hunger striker dead in cell

Anthony Benjamin Brown, aged 20, also known as Richard Campbell, who had been refusing to eat for a week, was found dead in a hospital cell yesterday at Ashford Remand Centre, Kent.

A Home Office official said that Mr Brown was remanded on March 10 by the Canterbury Green magistrates for medical reports after convictions for theft as a trespasser. He was due in court yesterday.

## 900 on remand kept in jail for four months

By Frances Gibb

Some 150 MPs are calling today for an urgent government inquiry into prison overcrowding and the length of stay of prisoners awaiting trial or sentence.

The MPs, members of the all-party panel on prisons, have signed an early day motion tabled by Mr Robert Kilroy-Silk, Labour MP for Ormskirk, after hearing that 900 prisoners had waited nearly four months in custody and a few for more than a year.

MPs were told at a meeting last week with the Probation Association, the National Association of Prison Officers, and the National Association for the Care and Resettlement of Offenders that the average daily number awaiting trial or sentence had risen from 5,090 in 1976 to 6,130 last year.

Mr Kilroy-Silk said yesterday: "It is particularly disturbing that of 53,019 defendants remanded in custody in 1978, over 18,000 were later acquitted or given a non-custodial sentence, and that such men and women are languishing in prison for increasing periods before trial."

Last year the average waiting

time in custody between commitment and trial was 11 weeks nationally and 19 weeks in London, compared with 7½ weeks and 12 weeks respectively in 1975, he said.

In Scotland, he said, there was a 110-day limit on the time for which a defendant could be remanded in custody. In England and Wales there were now 900 prisoners on remand who were first received into custody more than 110 days before, and some had been waiting for more than a year.

He was informed in recent parliamentary answers of three men who had been awaiting trial in Canterbury prison for 446 days and two women in Holloway who have been on remand for 444 days. The situation was urgent and getting worse, he said.

It was totally unacceptable in a society claiming civilized standards that people should be kept in custody for long periods even before being found to be guilty.

The motion calls on the Government to set up a working party to review urgently the factors affecting time spent awaiting trial or sentence, and make recommendations.

## Few takers for cheap EEC butter

By Hugh Clayton

Agriculture Correspondent

The Government wants to sell Britain's share of the EEC butter "mountain" at half price, but it cannot find enough buyers. The butter is not on offer to individual shoppers, but only to a select list of organizations, including health authorities and the Salvation Army.

In the past year only about 5,000 tons of the surplus butter has been sold to such bodies, although the British share of the mountain has not fallen below 25,000 tons. The butter is on offer at about half the normal price of more than 80p a pound.

The Intervention Board for Agricultural Produce, the branch of the Civil Service that administers the common agricultural policy in Britain, has been trying for years to interest qualified organizations in buying cheap butter from surplus stocks, which are stored at the expense of the taxpayer.

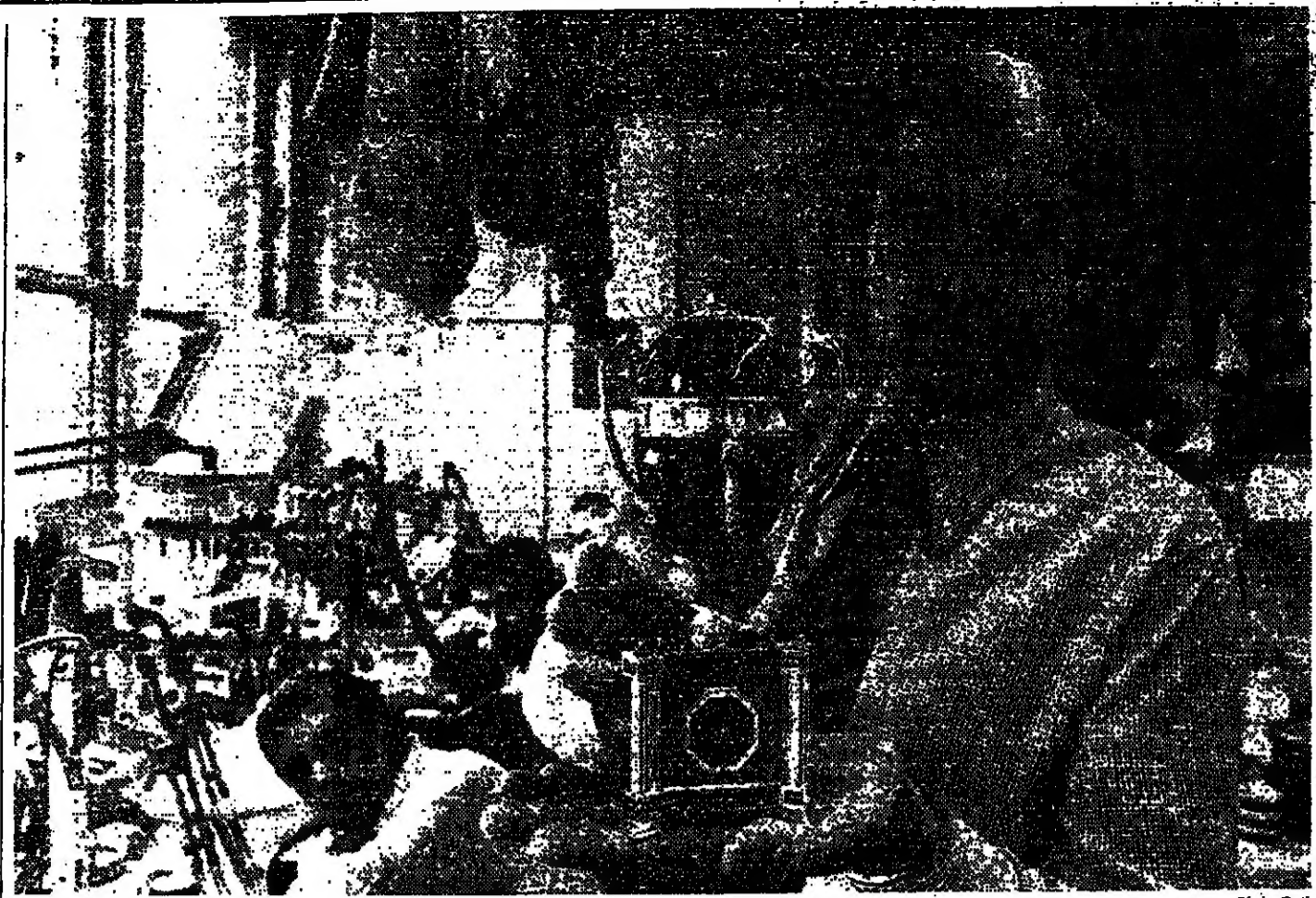
The EEC operates little known schemes which enable the butter to be diverted at low prices to what the Community

authorities consider to be deserving causes. They include school canteens, hospitals, old people's homes, units of the Armed Forces, and hostels run by such organizations as the Salvation Army and the Church Army.

An even more obscure scheme enables surplus fruit and vegetables to be sent to similar organizations at a nominal price of a few pence a pound. Last year half a hundredweight of tomatoes were sent to the Salvation Army.

The schemes are controlled so tightly by Brussels that some eligible organizations have been intimidated by the red tape involved. The EEC Commission is fearful of leaving loopholes that would allow food sold from official stores at half price to appear in shops at the full price.

Early this month a Midlands food company was convicted of obtaining £1,000 by using subsidized EEC butter to make confectionery. The intervention board said after the case: "This subsidy must be passed on to the consumer in butter sales at retail level. The butter must in



Mr David McCarty with a clock commissioned by Asprey of Bond Street for which he was named craftsman of the year in a competition for goldsmiths, silversmiths and jewellers.

## Governors plead for more prisons

By Peter Evans

Home Affairs Correspondent

Prison governors yesterday saw Mr William Whitelaw, the Home Secretary, to press for swift action to tackle what they call an unprecedented increase in the prison population to 44,800.

They fear they will have to put prisoners, including women and young offenders, four to a cell designed to hold one if present trends continue.

"To accommodate the extra prisoners properly we need seven new medium-size prisons of 400 capacity each," a statement from the governor's branch of the Society of Civil and Public Servants said yesterday.

About two fifths of the prison population is in overcrowded accommodation. "In fact, we have obtained no additional accommodation at all," level off, the governors doubt if prisoners and staff will tolerate the present second overcrowding throughout the summer. "We are running out of cells to overcrowd," they say. The prison population could be reduced, they argue, by executive action such as more remissions, with time on remand counting as double towards any sentence.

Mr Gilbert, a plumber, said he had a clear view from up stairs of his house, with his wife as one officer crouched over Mr Kelly holding him down and a second officer appeared to be hitting him.

He agreed with a previous

## Woman says she saw policeman 'kick hell' out of James Kelly

From David Nicholson-Lord

Liverpool

A woman, described as one of the closest witnesses of the arrest of James Kelly, the Liverpool man who died last year, in police custody, said at the inquest on Mr Kelly at Whiston, Merseyside, yesterday that police officer "kicked" out of him about half an hour before he died.

Afterwards officers threw him into the back of a police van as though he were an "old bag of bones". Mrs Pauline Gilbert, formerly of Barketh Road, Huyton, added, Mr Kelly did not struggle and was not resisting arrest, she said.

Both Mrs Gilbert and her husband, Jeffrey, also disclosed yesterday that they were never interviewed by representatives of the West Midlands police, who last year conducted a second investigation into allegations against Merseyside police.

Mr Gilbert, a plumber, said he had a clear view from up stairs of his house, with his wife as one officer crouched over Mr Kelly holding him down and a second officer appeared to be hitting him.

He agreed with a previous

statement in which he said the officer hit Mr Kelly three or four times with a clubbing motion, as though he had a weapon in his hand. He could not see where the blows were landing.

Later he withdrew part of the statement that the police were giving Mr Kelly "a good hiding". He agreed that it was a conclusion he had drawn from the officer's arm movements and there could be other explanations, such as the officer avoiding Mr Kelly's hand.

He said Mr Kelly was sitting on the ground without violence or struggling as the officer hit him.

Mr George Carman, QC, for the Police Federation and four officers, suggested to him that it did not make sense that a man was quietly sitting on the ground, not moving or struggling with an officer standing up repeatedly hitting him. "It is a load of nonsense," he said.

Mr Gilbert replied: "That is what I saw."

Mrs Gilbert confirmed her statement that she saw one officer pushing Mr Kelly into the police car and the other pulling at him from the other side.

After Mr Kelly was dragged out of the car, she continued, he was grabbed and put up against the side of it. An officer in shirt sleeves started kicking him. He "kicked hell out of Mr Kelly", she added.

Later he went round to the boot of the car but came back again and kicked Mr Kelly two or three times more. The officer radioed for the police van and after a minute or two, during which Mr Kelly did not move, it arrived.

She told Mr Carman that Mr Kelly was not abusive or aggressive, did not struggle and was not resisting arrest. He never moved, she said.

The hearing yesterday started 50 minutes late. Mr Ronald Lloyd, the coroner, said he was increasingly concerned that every morning the start had been delayed while matters were discussed in private between barristers.

Mr Carman said that Mr Andrew Rankin, QC, for the Chief Constable of Merseyside, had raised matters of the very greatest importance a few minutes before the hearing was due to start yesterday. That needed discussion by counsel.

The hearing continues today.

## Unions' hostility hampers study of benefit payments

By Pat Healy

Social Services Correspondent

Officials studying the arrangements for paying benefits to the unemployed are being denied access to local offices of the Department of Health and Social Security because of a policy of non-cooperation by Civil Service unions.

The department is understood to have advised against visits to avoid exacerbating the situation.

But the officials have visited a few Department of Employment benefit offices, where the reaction was either hostile or non-committal. They are being provided with information because the unions are legally obliged to give it.

That became clear yesterday after the disclosure in *The Times* that the team is studying whether it is still necessary to have two benefits for the unemployed, the contributory unemployment benefit and means-tested supplementary benefit.

The Department of Employment emphasized yesterday that the design of the officials' study plan did not imply any

presumption about policy decisions, but independent bodies to whom it has been sent believe that it shows that the Government is considering scrapping National Insurance unemployment benefit.

The department also said that the first phase of the study plan had been completed. That phase included initial discussions with ministers and the appropriate departmental staff.

Miss Diana Warwick, DHSS secretary of the Civil and Public Services Association, said that her union and the Society of Civil and Public Servants had adopted nationally a policy of non-cooperation with any inquiry connected with Sir Derek Rayner, the Whitehall efficiency adviser to the Prime Minister.

They had not seen the study plan or been consulted about the remit of the exercise.

The policy had been adopted, Miss Warwick said, because the Rayner studies showed that public expenditure on social security was too high and that the government was not getting its money's worth from it.

The TUC said yesterday that they could not comment until they received the study plan.

## Labour almost subsidiary of TUC, Mr Steel say

By Michael Hatfield

Political Reporter

Labour was becoming a wholly owned subsidiary of the Trades Union Congress, Mr David Steel, leader of the Liberal Party, said yesterday. The social democrats were tied to the unions politically and constitutionally because it was the only way they could beat off the challenge of the left.

Mr Steel, who was launching a pamphlet, *Labour at 80—time to retire*, said that there were some social democrats and as Mrs Shirley Williams and Mr William Rodgers who were coming to the end of their tether.

In forecasting the strange death of Labour England, he was maintaining his position on the proposed centre party. The Liberals would be quite willing to form an alliance with any group that shared its policies, but there was no question of the party submerging itself, he said.

The Liberal Party was not interested in leading support to individual Labour MPs who ran into constituency party difficulties and wanted independence.

They would have themselves into a group's policy with those of the I. haps a deal could be struck. "We are not a sect," Mr Steel said. "We are a party."

Mr Steel, who was his forty-second birthday, said that he was "lost in his soul, its drained away, left the dry husk of a politician."

"If they stand for it is for social envy power. The party is over of the participants of how to leave. The left is waiting to take the wreck, but the centre and the around miserably something to turn up the steel said the the social democrats left at the fence this was the black-voting power of unions."

Labour at 80—time to retire (Liberal Publications Ltd)

## Crannog divers peel layers of history

As platform builders, the

Scottish crannogs were ahead of the North Sea engines by some 2,400 years. They may have been the polish of the old men but their working principle was the same; floating on sturdily framed structures and sinking with ballast off the hull shore to provide an instant and useful island.

There is documentary evidence of more than 300 crannogs in Scotland. Some have matured into solid looking islands with trees on top. Others have submerged to become segments of history which Mr Nicholas Dixon, of the Institute of Maritime Archaeology at St Andrews University, plans to explore.

The St Andrews Institute specializes in diving on the remains of Spanish galleons or ill-starred East India men. It is lending its skills to the project in Loch Tay, where at

neg in Milton Loch near

Dumfries, has positively been dated at 475 BC.

Below the surface the stout framework of oak and pine is clear to see, but diving allows the only way the layers of history within the islands can be peeled back.

St Andrews Institute offers study to medieval historians or geographers as one part of a wider course. It is directed by Mr Colin Martin, who began his academic career on the sea bed.

He said: "For several years I was a diver and I began keenly to realize how important shipwrecks were as pointers to history."

"Treasure ships are, of course, the most spectacular; but it is the remains of ordinary working vessels that show what life was really like at precisely the moment they foundered."

least 17 crannogs lie dotted along the inshore line. Four are plainly visible.

Priory Island still has a building on it. Spar Island was swamped and tidied up in 1842 as a holiday home for Queen Victoria.

Some crannogs were 300 feet across; big enough to protect cattle from wolves or communities from raiders. Mr Dixon is keen about them because of the submerged layers or undisturbed history they contain.

"The Loch Tay islands may date back to before the fifth century; but one cran-

## PC's test case on rights over days off

Police Constable Rodney Starbuck took his chief constable to court yesterday to fight for proper compensation when duty disrupts his private life.

Mr David Eady, counsel for PC Starbuck, said the action, backed by the Police Federation, was a test case over policemen's rights in relation to days off.

Mr Eady told Mr Justice May that PC Starbuck had planned a long weekend away with his family when he was required to work on one of his days off.

In such cases many police authorities gave officers alternative free days, but that was no use to PC Starbuck, whose plans had been spoiled. He wanted extra money instead.

"Police officers value overtime payments," Mr Eady added.

PC Starbuck, aged 32, of Barrie Road, Hinkley, Leicestershire, is seeking a declaration that overtime compensation should be the rule unless there is consent. He wants a declaration that police-

men should so far as possible, be entitled to two days off each week.

He seeks a further ruling that on April 21 last week part of his planned long weekend, he should not have been asked to work against his will unless he was to be properly compensated.

Mr Alan Goodson, Chief Constable of Leicestershire, and Mr Gordon Long, representing the police authority, are contesting the case.

The judge reserved his decision to a date to be fixed.

## Custom ignore promise refunds

By Robin Young

Consumer Affairs Correspondent

Customers are claiming many thousands of pounds each week they would be entitled to by various price promises by retailers, it was yesterday.

A survey by *Shire County Council* that prices for retail goods were often shops promising refunds if the same item came where.

It showed that charged by shops price promise was by up to £38.19 in town.

In Sheffield, the *Shire County Council* survey, which had the lowest any 20 models of cars' prices were the nine stores survey; models; Rackhams highest on three.

In Rotherham, C for the six models which were included in the survey were all highest charged a Doncaster and charged most for t

Barnsley 27090 bought made £219.95 at Currys able at Woolworth price promise is £181.76. An LEC was £23.10 cheap

dear store than at In Sheffield, Brothers, department branch of the John ship which "slogan" never sold, offered price on four 15 included in which it stocked, I could have claim ranging from 50p.

In the survey, shops offering a p was invariably chee direct of 4 yesterday that made "hundreds" of refunds under its price. best value in the shops might be a stocked exclusively, not included in the.

The John Lewis said that "never undersold" was not an advertising slogan internal discipline penny's buyers.

They would have themselves into a group's policy with those of the I. haps a deal could be struck. "We are not a sect," Mr Steel said. "We are a party."

Mr Steel, who was his forty-second birthday, said that he was "lost in his soul, its drained away, left the dry husk of a politician."

"If they stand for it is for social envy power. The party is over of the participants of how to leave. The left is waiting to take the wreck, but the centre and the around miserably something to turn up the steel said the the social democrats left at the fence this was the black-voting power of unions."

Labour at 80—time to retire (Liberal Publications Ltd)

Labour was becoming a wholly owned subsidiary of the Trades Union Congress, Mr David Steel, leader of the Liberal Party, said yesterday. The social democrats were tied to the unions politically and constitutionally because it was the only way they could beat off the challenge of the left.

Mr Steel, who was launching a pamphlet, *Labour at 80—time to retire*, said that there were some social democrats and as Mrs Shirley Williams and Mr William Rodgers who were coming to the end of their tether.

In forecasting the strange death of Labour England, he was maintaining his position on the proposed centre party. The Liberals would be quite willing to form an alliance with any group that shared its policies, but there was no question of the party submerging itself, he said.

The Liberal Party was not interested in leading support to individual Labour MPs who ran into constituency party difficulties and wanted independence.

They would have themselves into a group's policy with those of the I. haps a deal could be struck. "We are not a sect," Mr Steel said. "We are a party."

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Labour at 80—time to retire (Liberal Publications Ltd)

## Four accused of murdering six people

Four men were for trial at the Central Criminal Court by magistrates yesterday in a case six alleged murders, remanded in custody.

The accused are: Kenney, aged 48, of address, charged murder of Terence E. Ezzert and his son T. 10, Robert Winston Frederick Sherwo Ronald Andrews.

Terence Pinfold, of Wallington Road, 110 charged with the m Mr Eve, Mr Brown, a Brett and with assist disposal of Terry Br Leonard Thompson of Mount Pleasant Fend Arterial Road, London, charged murder of George Br Paul Morton-Thurle of Stoddard Road, Kent, charged with wood murder.

Schoolboy killed



## WEST EUROPE

## Nine cancel top level meeting with East European trade block

By Michael Hornsby

Paris, March 31

A top-level meeting between

representatives of the EEC and

the Soviet-led East

European trade block

has been cancelled by the

Committee because it sees no

progress in the long-

running negotiations between

the two sides aimed at formaliz-

ing their relations.

A letter sent by Her-

mann Haferkamp, the EEC

commissioner for External

Relations to Mr Nikolai Fedotov,

secretary of Comecon, the

Soviet bloc, said that the

meeting, scheduled for April,

was postponed because of the

lack of progress in the

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Relations to Mr Nikolai Fedotov,

## Parliament of Basques meets under oak tree

By Michael Hornsby

Paris, March 31

A solemn ceremony boycotted by

separatist extremists, newly

elected Basque deputies met

under an oak tree symbolizing

Basque liberty today for the

first session of the regional

Parliament.

A crowd of about 300 demon-

strators in the street outside

the Casa de Justicia meeting

house shouted "Bourgeoisie

out" and demanded an am-

nesty for imprisoned separatist

guerrillas and work for the

unemployed.

The deputies gathered under

a century-old oak tree in the

"tree of Guernica" where the

Basques traditionally guaran-

teed their liberties in return for

their allegiance. Representatives

of the ETA guerrilla

movement did not attend the

ceremony. The party said it

considered the Parliament to

be the fruit of a Spanish con-

stitution rejected by the

Basque people and of a

monarchy inherited from

France. Herri Batasuna won

11 seats in the elections on

March 9 and is the second

largest group in the 60-member

Parliament.

In the Parliament's first

business session on April 9,

Señor Carlos Garaikoetxea,

leader of the Basque Nationalist

Party, will seek a vote of con-

fidence for his minority gov-

ernment. If Herri Batasuna

maintains its boycott, the

Nationalists' 25 seats will be an

absolute majority.

The Nationalists intend to

seek negotiations with the

ETA guerrillas, whose struggle

against Spanish authority has

cost 23 lives in this year.

At a party meeting in Pam-

plona yesterday, the National-

ists pledged to press for the

inclusion of the part-Basque

province of Navarre in the

autonomous region along with

Alava, Vizcaya and Guipuzcoa

provinces.

Señor Garaikoetxea said

Vitoria, capital of Alava pro-

vince, would serve as the

provisional seat of the Basque

Government only until Navarre

was incorporated in the region.

Then the capital would be

moved to Pamplona.

Señor Jesús María de Leizaola,

aged 83, the last president of

the Basque government-in-exile,

presided at today's meeting as

the oldest member of the Par-

liament.

He told his fellow deputies:

"An historic cycle has passed.

A new generation has taken

over... Our carefully nurtured

hope has borne fruit. The

Basque nation is a living reality

that cannot be ignored."—UPI.

Diplomat's son dead

Paris, March 31.—The 20-

year-old son of the Polish

military attaché in Paris was

found dead hanging from a

bridge over the Seine.

## OVERSEAS

## Zimbabwe link with EEC could give it a start worth £100m

By Michael Hornsby

Salisbury, March 31

Zimbabwe could benefit from

an early injection of aid from

the EEC worth more than 800

million pounds (£1.8m). The

new state could then expect to

receive between £75m and

£100m over the next five years

once it has become a signatory

of Lomé Two, the preferential

arrangement the EEC has with

some African and other de-

veloping countries.

The question of EEC assist-

ance to Zimbabwe will head the

agenda during the talks which

Mr Claude Cheysson, the EEC

Commissioner for Aid and De-

velopment, will hold in Salis-

bury during a two-day visit

which starts tomorrow.

Southern Rhodesia already

has an interim agreement with

the EEC which was negotiated

by Britain last December and

which provides for preferential

access for most of the future

Zimbabwe's exports.

The interim agreement does

not cover aid. However sources

in Salisbury explained today

that Zimbabwe could benefit

from certain forms of EEC as-

sistance, such as aid for non-

associated countries, non-

governmental aid, and excep-

tional emergency aid for recon-

struction, before it has negoti-

ated access terms to the Lomé

convention.

Mr Cheysson, who will hold

talks with Mr Robert Mugabe,

the Prime Minister designate,

other new ministers as well as

Lord Soames, the Governor, is

expected to concentrate on

what the country's immediate

needs will be during the

months while negotiations on

Zimbabwe's membership of

Lomé are taking place.

Meanwhile the announcement

in London today that Britain's

Export Credits Guarantee De-

partment has agreed to accept

applications for medium-term

cover on the export of capital

and semi-capital goods to Zim-

babwe has been welcomed in

Salisbury. It is expected to

ease the foreign exchange bur-

den involved in re-equipping

Zimbabwean industry.

Mr Mugabe left today for

Lusaka where he is to attend

a one-day conference on

Southern Africa economic co-

ordination. The summit is ex-

pected to concentrate on ways

to reduce economic dependence

on South Africa, and the meet-

ing is being attended by heads

of state or senior representa-

tives from Angola, Botswana,

Lesotho, Malawi, Mozambique,

Swaziland, Tanzania and

Zambia.

It is expected that Mr

Mugabe, while agreeing to ex-

amine ways of reducing depen-

dence on South Africa, will

resist any attempt to halt trade

with Zimbabwe's neighbour.







# Only an April fool would buy a car without it.



As from today, the dice are no longer loaded against you when you buy a used car.

Because now, there's the Fiat Auto 'Used Car System' warranty.

This is a truly all-embracing Fiat backed warranty, which is available on any make of car, of any age up to seven years old.

It covers most of the major mechanical parts from the engine and gearbox, to the rear axle and most of the principal electrical components, too.

Everything, in fact, that would normally have you tearing your hair out at the cost, if something went wrong.

The initial cover runs for a full twelve months.

Regardless of how many miles you do.

And there's absolutely no limit to the number of individual claims you can make in the year.

All in all, you'll find it's a pretty impressive package.

One which we'd be fools to offer you if we hadn't checked out every car to the very best of our ability before it's sold. Making sure that nothing is likely to go wrong.

So if you have a certain car in mind, look for this sign at your nearest Fiat dealer. He can supply the full terms and conditions of the warranty.

And that way, you'll avoid being an April fool all year round.







# PEUGEOT 604



46 mpg

**D-turbo**

## The luxury car for the eighties. Fuel consumption in the forties.

### The New 604D-turbo

Announcing the new Peugeot 604D-turbo. The first turbo-charged diesel production car available in Britain. Never before has a luxury car blended the comfort of a limousine with today's economical needs and with tomorrow's ecological demands. Consider these important advantages.

#### Economy

When has a luxury saloon car ever been able to offer fuel consumption up to 46.3 mpg\* (Just compare that with the Mini at 48.5 mpg\*). And around town in traffic the D-turbo returns an incredible 29.4 mpg against 16.2 mpg\* of the 'aerodynamic' Rover 3500.

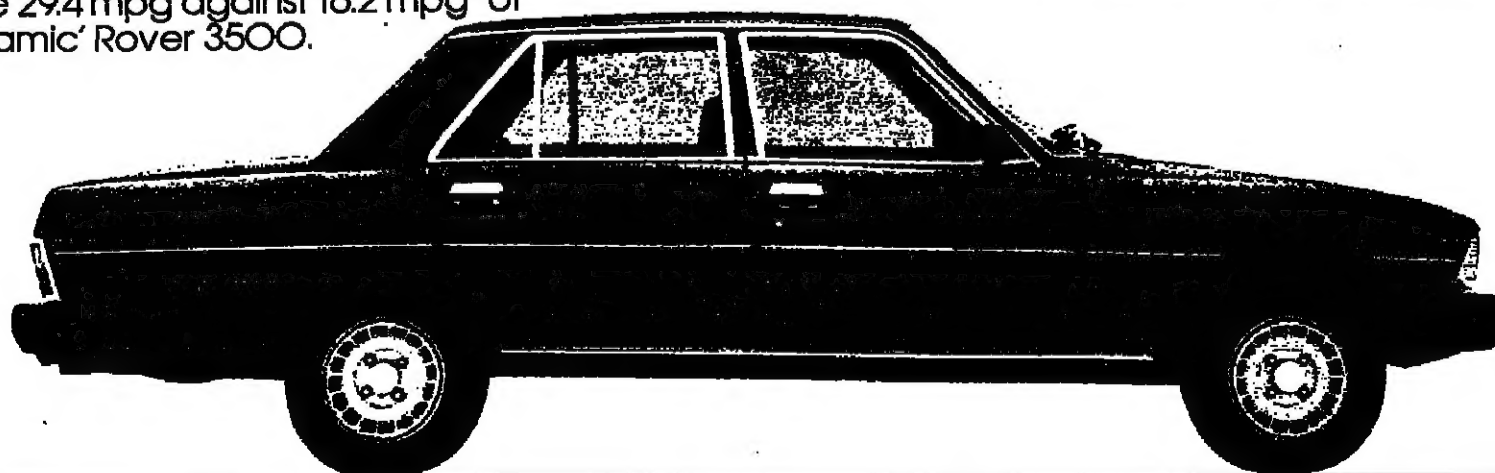
In addition to the astonishing fuel savings, the 604 D-turbo offers many other distinct advantages. The 2304 cc diesel engine has already been well proven by Peugeot and has strength and durability engineered into it. Fewer electrical components result in easier servicing and the nature and construction of the diesel engine ensures easy starting in all weather conditions.

#### Performance

On the motorway, the 604 D-turbo offers you cruising speeds you would expect from a luxury saloon in this class, quietly, comfortably. And on the Continent high speed autobahn motoring is smooth and effortless.

### Luxury

The 604 D-turbo boasts an extremely high level of standard features, push-button electrically-operated sunroof and windows, all-round tinted glass, centralised pneumatic locking (which even closes the windows and sunroof automatically), responsive power assisted steering, 5-speed gearbox, thick plush-pile carpet and rich velour upholstery. The Peugeot 604 D-turbo combines luxury performance and style with a standard of economy never before witnessed in a luxury car. Why not contact one of the 274 nationwide Peugeot dealers to arrange a test drive.



#### \*D-turbo Fuel Consumption

46.3 mpg (6.1 l/100 km) at 56 mph (90 km/h)  
32.8 mpg (8.6 l/100 km) at 75 mph (120 km/h)  
29.4 mpg (9.6 l/100 km) on urban cycle

#### Rover 3500

16.2 mpg (17.4 l/100 km) on urban cycle  
Mini 1000  
48.5 mpg (5.8 l/100 km) at 56 mph (90 km/h)

Petrol consumption in accordance with UK Government testing procedures.



Finance and leasing facilities available from Peugeot Finance

Anglo-French Finance Company Limited

I am interested in the Peugeot 604 D-turbo. Please send me information.

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London W3 0RS. Tel. 01-993 2331



*John 11/80*



PARLIAMENT, March 31, 1980.

## UK's vested interest in expanding world trade: piercing overseas markets must be principal target

House of Commons  
The claim that the United Kingdom was being rapidly deindustrialized was sometimes exaggerated, Mr John Nott, Secretary of State for Trade, said during questions. The United Kingdom should be concentrating on the penetration of overseas markets.

Mr William Hamilton (Central Fife, Lab) had said—Probably a majority of MPs refuse to accept the view that permanent and general import controls would be the solution to our trading problems. But there is an increasingly strong case for further selective import controls on a temporary basis, if only to prevent or retard the increasing deindustrialization of the United Kingdom economy.

Mr Nott (St Ives, C)—The claim that the United Kingdom is being rapidly deindustrialized is sometimes exaggerated. I take the point that he is talking of temporary controls only. But if we exclude motor vehicles alone, the export-import ratio declined only 1 per cent in 1978. There are no grounds for the scare stories about the imminent and total deindustrialization of this country. It simply is not true.

Mr Anthony Grant (Harrow, Central, C)—Temporary import controls all too soon become permanent and become the slippery slope to a form of protectionism from which it is hopeless to escape. This would be disastrous for us economically and would not be in the interests of the consumer, either.

Mr Nott—Those against whom we impose temporary import controls would probably in many cases retaliate against us by imposing whether we call them temporary or permanent controls.

There are arrangements for temporary controls on Tariffs and Trade but I agree that temporary controls would not be a permanent solution. We are an exporting nation with nearly a third of our gross domestic product in exports. We should be concentrating on export penetration of overseas markets.

Mr Joan Evans (Aberdeen, Lab)—There is an effective British Leyland advertisement in the catalogue of the massive penetration of foreign manufacturers in Britain. What is the Government doing? It could start by buying cars and encouraging people to buy British goods. We are being flooded by foreign manufacturers.

Mr Nott—I have seen the BL advertisement and it does not say what proportion of overseas markets we have in those same pro-

ducts. It concentrates almost entirely on import penetration. On cars, this is still one of our leading export industries. And we export over £2,000m of textiles every year.

Mr Brandon Rhys Williams (Kensington and Chelsea, Con)—The exchange rate for the pound is artificially favourable to imports. Will the Government reconsider policy on this and seek ways, by exporting capital or reducing the rate at which we exploit our North Sea assets, to bring our exchange rate into better balance for the benefit of our export trade particularly in the car industry? We should not discourage the export of capital. That is why we abolished exchange controls. It is important to build up income-producing assets abroad.

But there is one managing the exchange rate or forcing the exchange rate down, in current circumstances it would not be possible for the Government to hold down the pound, even if we wished to do so, for very long given that there are international pressures on it to its present level.

Mr John Fraser, an Opposition spokesman on trade (Lambeth, North, Lab) on later questions, said—The Metropolitan Police have been obliged to buy overcoats from West Germany as a result of an EEC supply directive. Will he negotiate that directive so that public sector purchasing policy can ensure help for British industry?

Mr Nott—I do not know of any EEC directive which obliges anyone to buy anything anywhere. The EEC supply directive, I take it, relates to the purchase of overcoats by the Metropolitan Police. It is not a directive which obliges anyone to buy anything anywhere.

Mr Nott—There is no doubt this purchase of overcoats, which will be used by the Metropolitan Police, is a result of an EEC supply directive. I am sure that cannot be right. We cannot have a situation where we are obliged to buy overcoats from West Germany. I am sure that cannot be right.

Mr Nott—I am not sure that it is relevant to expand trade by removing obstacles to exports, rather than to restrict trade by creating obstacles to imports. Mr Nott—it is foolish for this country which has the single greatest interest in the expansion of world trade—and we have a great interest in the expansion of world trade—to be a party to restricting world trade.

Mr Alan Clark (Plymouth, Sutton, Con)—During later exchanges, said—More than half the questions on the order paper and the minister's answers have been about the Japanese. All those areas where they are keeping out British goods.

protection. (Some shouts of dissent.) Can we therefore assume that the minister's only objection to applying them more generally is a fear of retaliation?

Mr Nott—By no means do I admit the need for protectionism at all. I assume the need for fair trade. That is a different thing from saying that firms must compete in the open market fairly. It is two rather different things.

Mr Eric Heffer (Liverpool, Walton, Lab)—If the minister accepts the concept of fair trade will he note that many nations like the Japanese do not have strict import controls, but hedge the products going into their country in such a way that there are effective import controls.

In those circumstances, can we not take a lesson from some of our competitors and do something similar in the interests of our people? Mr Nott—About one third of everything we import from Japan is already under some kind of restraint. The industry to industry, we have been successful. The Japanese have held to them so it is not a one way process.

Mr Christopher Brocklebank-Fowler (North-West Norfolk, Con)—When the minister meets the TUC, will he point out to them the profitability of a tariff of trade with the developing world with whom we enjoy a substantial balance of payments surplus. Any action to control imports from that source will not be in the national interest.

Mr Nott—I agree. The volume of goods from the developing world is increasing. We do not wish to extend this process further than is necessary. We have a substantial balance of payments surplus with the developing world and it is profitable trade for us. Trade is a two-way process.

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## Buying land needed for airport at Stansted

The Government is introducing new powers into the Civil Aviation Bill to enable the British Airports Authority to acquire, by agreement, land which may be required for future airport development but is not immediately required for that purpose.

Mr Norman Tebbit, Under Secretary for Trade (Waltham Forest, Chingford, C) announced this in reply to a question about land requirements for Stansted Airport. He said the Government was not immediately required for that purpose.

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## Spending £19,000m upon social security a strange way of murdering welfare state

Failing a reduction in public borrowing, interest rates and taxation the people who would suffer most in the longer term would be those who had to protect themselves. Mr Patrick Jenkin, Secretary of State for Social Services (Redbridge, Wanstead and Woodford, C), said in the House during the debate on the budget.

From 1974 to 1979 this country spent more on debt interest than on retirement pensions. Under this Government, it would be spending more on pensions and less on debt interest.

Yesterday on television the Leader of the Opposition suggested that the Chancellor of the Exchequer should borrow another £2,000m in the current year. That was his soft option. The consequence would be that debt interest would continue to be more than pension payments after 1980.

Was that Labour Party policy? It was desperately important that in all the forthcoming debates on the health and social security bill, the economic background should be constantly borne in mind.

He has been referred to as the Treasury mole in the DRESS. It was a shame that he understood those economic imperatives every bit as clearly as did the Chancellor and the Chief Secretary.

Neither he nor any succeeding Secretary of State for Social Services could care properly for the old and the sick and the young and the unemployed.

Mr Jenkin said that the budget strategy, despite or perhaps in the light of the economic changes we were facing, remained the only viable strategy on offer. There did not begin to be a glimmer of any conceivable alternative from the Opposition.

The growth in spending between 1978-79 and 1979-80 was covered by the Labour Government's White Paper, was projected to increase by 7.7 per cent, or from £14,000m to £14,900m. During the election the Conservatives gave a pledge to maintain that growth.

The figures in the new public expenditure White Paper demonstrated that that pledge had been kept 100 per cent. That White Paper showed that the growth in the current year and the end of the period was 8.2 per cent or nearly 2 per cent per year.

With the elimination of bogus incentive schemes and other unsatisfactory working practices which Clegg had identified. Given responsible pay bargaining on both sides, the cash limits for health authorities on current expenditure for 1980-81 were realistic and fair.

There was not much scope for the redistribution of resources between regions this year but nevertheless the better off regions would receive a 0.3 per cent increase while worse off regions would receive 0.6 per cent.

The Government believed it was sensible to allow prescription charges to make their contribution towards increased spending. About 305 million prescriptions were dispensed each year. Of those, two-thirds were exempt from charges and they covered about 60 per cent of the population.

By December 1980 the average cost of a prescription would be £2.90 so the charge would be about one-third of the cost, which would be paid by about one-third of the population.

It was not necessary for those who had a large burden of prescriptions to bear the full charge. The bill could be limited by buying a season ticket which from tomorrow (Tuesday) would be £1.00 for a year and £4.50 for four months.

People should realise that a season ticket entitled them to keep many prescriptions as they needed. Given the rising costs of prescriptions, the wide exemption, the reason for a season ticket and the need to finance the rising expenditure in the health service, the increase in the prescription charge was fully justified.

Details charges were going up from April 1 in order to keep pace with rising costs. From next year the exemption for young people aged 16 to 21 who had left school would be cut. A charge for sight tests would be applied to everyone. This was a small additional charge in a sphere where charges were already made.

The overwhelming number of people would see it as reasonable. The changes would require local authorities and the necessary amendments would be tabled to the Health Services Bill at the report stage.

The Government was also looking at other sources of income for the NHS. These included the possibility of recovering a greater proportion of the cost to the service of road traffic accidents and taking the share of the service by foreign visitors.

survey period the proportion met by charges would rise by no more than a further percentage point or two. The service would remain overwhelmingly financed by taxation.

In the light of these figures (the said) the well-orchestrated roar of disapproval from Labour benches which met the budget statement turns out to have been just as misplaced as it sounded systematic.

At 1979 survey prices, the total cost of the NHS next year would be nearly £20,000m. There was plenty of scope for getting better value for this money.

Over the six months to September 30, 1979, it was estimated that the number of people on the waiting lists might have fallen by about 50,000. However, at 700,000, far too many were still waiting for hospital care.

It was for the elected councillors to insist on savings wherever possible by cutting administrative costs rather than standing services. He was going this in the own department as from May 1, nearly 2,000 DRESS posts had been saved—about 2 per cent of the total.

In his headquarters department, the cuts were proportionately more severe. He was going to cut the total. A further 2,400 posts would be saved this coming year.

It required the (said) of elected representatives to force officials to make administrative savings. The Government was right to look to the voluntary sector to take on a larger share of what had been done in personal social services. Family support; self-help; day care; and so on.

Joint financing had a major contribution to make to local authorities. In 1980-81, there would be a 16 per cent real terms increase in local finance. That increase, with the support of the Government, would be 1 per cent of local authority budgets for personal social services.

The cost of the social security programme, even leaving out part of the cost of child benefits which replaced the old child allowances, had grown by 50 per cent since 1971. For the same period, total public expenditure had grown by 30 per cent and national income by only 15 per cent.

real improvements in the benefits and increase support. In the light of the fact that the growth in the social budget should be cut after making the savings, the social security budget was still projected by some 2 per cent to be in surplus.

It was known that the Labour Government had been an objective to first eight weeks response covering sickness to any Minister of Social Security. The paper setting out the views of trade unions, and others.

Limitation of short-term benefits had been an objective of the Government for some years past. Administrative changes had been allowed to stand if they would stand in the way of the objective.

The 75p increase benefit was an increase per cent since the last April, 1974, equal to the rate of inflation of 31 per cent. That was exactly the increase in personal income in the budget.

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## Farm incomes under pressure in spite of green pound changes

Mr Peter Walker, Minister of Agriculture, Fisheries and Food, reporting on last week's meeting of EEC agriculture ministers, said that no progress had been made.

Mr Walker (Worcester, C) said: After a brief discussion of some of the Commission's prices and economies proposals the presidency engaged in a series of bilateral meetings with each minister. I gave our view that there should be no price increases for the commodities in structural surplus—milk, sugar, and wine. I recorded our demand for the continuance of the consumer butter subsidy, the need to retain the beef premium scheme until a better system could be agreed and to continue the price fixing to provide the whisky industry with the export refunds to which it is entitled.

When the Council reassembled, the President reported that there was no prospect of progress being made at this week's meeting. He expressed the hope that it would be possible to move towards a solution at the next Agriculture Council which is due to take place on April 22 and 23.

Because of the delay in reaching a settlement on agricultural prices for 1980-81, the Council had to consider extensions to a number of regulations which would otherwise have expired.

The Commission also proposed the extension of one of the agricultural regulations which deals among other things with the calculation of monetary compensatory amounts.

The regulation agreed to a year ago now gives an unreasonable advantage of up to at least 5 per cent to foreign food exporters to Britain and other EEC producers and exporters at an unfair disadvantage. As some other member states were unwilling to amend the regulation so as to decrease our disadvantage, I refused to extend the regulation beyond March 31.

At a previous meeting of the Council, agreement had been reached to devalue the green franc on March 31 for those items whose marketing year for the year 1980-81. When the Council was asked to confirm that this applied to the theoretical end of the marketing year rather than the actual marketing year I demanded and obtained from the Council a statement approved by all ministers that any member who made a demand for a reduction in negative MCAs and that agreement to such a decision should be independent of

agreements on matters of another nature. This clear statement should therefore prevent the reduction of negative MCAs becoming a matter for negotiating in the future.

Mr Ray Mason, chief Opposition spokesman on agriculture, fisheries and food (Barnesley, Lab) said the Opposition welcomed the Minister's statement on the products in structural surplus and second, the Minister's request to maintain the butter subsidy.

Butter in storage is expected (the report) to rise from 69,000 tonnes to 88,000 tonnes in the current year at an extra cost to the Treasury of £24m. The Minister put forward any proposals during the course of this last negotiation round to cut the cost to the Treasury and hence the cost to the United Kingdom budget?

Why did he put forward a proposal to tax British imports of food from the Community? British lamb is popular and as freely available in France and Europe as French wine and cheese is in this country.

Mr Walker—The possibility of British exports to the Community. One of the reasons why we import far more from the EEC than we export is four years of massive monetary compensatory amounts against British exports, working favour of imports to Britain. I intend to try and reverse that trend.

Mr Nigel Spearing (Newham, South, Lab)—His request for an over-valuation of the green pound would put the price of food in three countries to levels higher than the Community would have otherwise demanded. What would be increased food tax on the consumer?

Mr Walker—I made no proposal at all to over-value the green pound. I was asking for the green pound to be treated as a currency at its present level, as it should be treated, and not to have a positive disadvantage put against it.

Mr Roger Sims (Barnesley, Chislehurst, Con)—I assume, in view of the failure to establish an alcohol regime, consideration is being given to the possibility of payments under the cereal regime?

Mr Walker—Substantial benefits will accrue to the United Kingdom. There are back payments due to some of our producers of £40m. It could prove to our advantage by something like £20m a year.

For a long time under the previous Government, British agriculture and horticulture worked at a disadvantage due to the monetary compensatory amount system. Now I intend to see it works to their advantage.

Mr Jo Grimond (Orkney and Shetland, Lab)—His proposals, or lack of them on dairy products, are cold war. It is an industry which has been hit by high exchange rates and high costs. What will be the next steps on having a French market for mutton and lamb?

Mr Walker—Last week, I made an announcement on the fat sheep subsidy which is the biggest increase that has taken place. Prior to that, we brought about the biggest increase in subsidies for sheep and cattle.

Mr Peter Mills (West Devon, C)—The previous administration did nothing to help the export of food. It should not be surprised that British lamb is popular and as freely available in France and Europe as French wine and cheese is in this country.

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## Dumping of Russian Christmas cards

Responsibility for taking action against dumped or subsidised imports which were causing injury to the Community industry rested with the European Commission but in the case of alleged dumping of Soviet-manufactured greeting cards the Community industry wanted the industry to prepare a claim to put before the Commission for appropriate action.

Mr Robert Atkins (Preston, North, C), who had asked about steps to stop the dumping, said: There has been a 40 per cent increase in Christmas cards alone in the last year. Sales by British cards are down one third on last year. The company, which produces cards, laid off 80 men and are pulling out of the market. How much longer is this industry expected to subsidise the Russian military effort?

Mr Parkinson (South Hertfordshire, C)—It is for the industry to put its case against dumping to the Commission. We would help the industry to help the industry with which we are working closely. We recognize the importance of the industry and the taking action as soon as possible.

Mr Tam Dalyell (West Lothian, Lab)—What would he say to a potential Olympic athlete who had been dumped Christmas cards but that he could not go to Moscow? Mr Parkinson—I would advise him to stop his dribbling and to get on with it. We do not see any need to buy Russian Christmas cards.

If there is unfair competition from these cards we are going to take action. We do not see anything advantageous for Britain in our athletes taking part in a gigantic propaganda exercise designed to bring the Russian economy to its knees.

Mr Parkinson—That is not true. The units produce a substantial number of cases. The rate at which it acts shows up well against the rate of performance of the Government's government when in power.

### Royal Assent

Royal Assent was signified to the following Acts: Unit of Account; Betting, Gaming and Lotteries (Amendment); and Cane Hill Cemetery.

### Parliamentary notices

House of Commons  
Today at 2.30: Conclusion of debate on the Social Security Bill.

House of Lords  
Today at 2.15: Social Security Bill, second reading.

## Budget based on new Poor Law mentality

Mr Stanley Orme, chief Opposition spokesman on social services (Salford, West, Lab), said it was a pity that the Government had based a section of the community who could ill afford it. The budget reflected a collection of Tory mythologies about social security and in particular the work shy and the unemployed which had inspired changes in the relationship between national insurance and social security.

The budget was a record of broken promises, particularly to the family in work and out of work. He did not see how after all Mr Jenkin had said about child benefit he had not raised it in line with inflation. He said the £1.20 he should have raised it by £2; the 75p meant a reduction in real terms.

They should look at the principles of the EEC report which had been implemented by the Labour Government in 1945. The principle then had been benefit in return for contributions rather than free allowances from the state. National assistance had been regarded as less desirable than insurance benefit, and as a safety net, not as a prime instrument of social policy.

Successful governments had honoured the principle since the war and had extended it through the earnings-related schemes. The present Government had broken that principle by abolishing earnings-related supplement, and by introducing a new system below the level of supplementary benefit, thus deliberately creating a new class of supplementary benefit—namely, the unemployed and the sick.

Supplementary benefit had become a first, not a last, resort. By the loss of earnings-related support, 18,000 people had lost out on supplementary benefit. They had heard year by year about giving added emphasis to the policy of demerger in an attempt to stimulate our sluggish and over-concentrated economy.

Mr Nott—I am keen to enable British industry, in the frightful phrase I coined, to demerge as easily as a merger. That is one of the principles underlying the intention of the Chancellor in the Finance Bill.

Mr Peter Emery (Hendon, C)—Will Mr Nott assure the House that he will make sure that industry will be able to pay its way?

getting rid of people on supplementary benefit and getting rid of the poverty trap, but the present system was a safety net, not a safety net, not as a prime instrument of social policy.

The Government was condemning hundreds of thousands, many of whom had paid national insurance contributions, to a life of poverty. It was a record of broken promises, particularly to the family in work and out of work.

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Le Monde  
LA STAMPA  
THE TIMES  
DIE WELT

# Europa

VOL VII No 5

AN ECONOMIC MONTHLY PUBLISHED IN  
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WEST GERMANY AND ITALY

This article and those on page III find  
signs of hope in a sad world

## Great projects planned

Future history will speak of the euphoria of the 1960s. Inebriated with the Meadys of easy-to-come-by oil, human society dreamt of miracle-working technologies and unlimited growth, and the United Nations launched the first development decade. With the 1970s, the panorama changed. It was feared there might be certain drawbacks: somebody started to do a few sums; the ecological conscience awakened, and other spontaneous popular movements showed concern for one evil of modern society after another.

In 1972 the Club of Rome's small volume entitled *The Limits to Growth* appeared. It told a few simple but awkward truths. Our good earth, being but a celestial body of finite dimensions, would not be able to satisfy all the whims of a quarrelsome and voracious human race, nor could it allow a continuous, exponential rate of economic and demographic growth. Immediately damned as heresy by the economists and the technocrats of growth, this small volume set out a great success which showed that public opinion was maturing. Soon afterwards, Opec trebled the price of oil, and the old myths began to fall apart. Stagnation made its appearance for the first time.

Aware at last of how mediocre is the government of man's affairs, people no longer knew whom to believe, or what, nor what was really happening, and still less what needed doing that was new or different. And so, with the dawning of the 1980s, the prospects appear as uncertain as ever. One wonders whether the proud human race, which dominates the entire globe and its surroundings, will be able to extricate itself from the immense muddle of problems into which it has driven itself.

To judge by the fact that it is still unable to show down its own proliferation, or control its appetites and power, or even to apply with a little common sense the marvellous heritage of knowledge and information, which it possesses, it would appear not. In addition it is so busy inventing increasingly scientific weapons of destruction that it is doubtful whether it will be able even to manage to live with itself—one group of people with another—and with the other forms of life upon which its very existence depends.

Here the records stop. We must, however, ask ourselves what road so-called hominids must take 10,000 centuries after coming into the world, after 20 centuries of Christianity and—perhaps it is

as well to add today—13 centuries of Islamism. The greatest danger is that he will continue undaunted to rush as fast as his legs can carry him in the same direction as he is going, towards a tempting but deceptive horizon beyond which lie only crisis and disaster. This is, alas, the most probable road, the road dictated by the habits, the politics or neo-politics and the taboos and totems which have plunged him into this sea of troubles.

If, on the other hand, those gifts of intelligence and imagination prevail, those civic and moral virtues, that sense of responsibility and that spiritual yearning that we so often claim he alone possesses—or if, even, he will only be guided by common sense and a necessary awareness of the species—then very different frontiers will be open to him. They are the frontiers of hope; but he must hurry for the 1980s are decisive.

Some of the great strategies that can bring mankind to these frontiers have by now been studied in sufficient detail. Take, for example, *World Conservation Strategy*, which was published simultaneously in 35 countries on March 5, 1980. Other publications speak of freedom from hunger, technical measures for disarmament and the reform of the international monetary system. To put these into practice an enormous effort is necessary—political, organizational, financial and managerial. But the keystone is the ability to overcome successfully the obstacles of principle, mental and psychological attitudes, cultural obstacles in general which stand in the way of the renewal of human society. The liberation of modern man from this slavery of the past is, however, possible.

Much must be done, but above all the human system must be made more governable—and we must learn to govern it better. With regard to the first of these objectives, number of prudent but it is hoped, efficient initiatives are in progress. It is hoped on the one hand to explore the possibility of restarting, by means of a series of regional agreements, the North-South dialogue, which has at present ground to a halt. On the other hand it may be possible to overcome the intricate nature of East-West relations by persuading the two great power blocks first to examine the world situation, so as to discover how much it is in the joint interest of them both to improve it.

Even more important is the ethical and cultural improvement that must be stimulated in each and every one of us, all citizens of this extraordinary era. The fact is that in two generations we have radically transformed that corner of the universe in which we live, without however adjusting, to take account of the new realities, the set of values, the principles and the judgments by which we are guided. Our thinking and our behaviour thus remain those of a now distant past.

We are now, therefore, basically all unprepared, and totally unprepared to face the future, which promises to be even more disturbing. When a change takes place in our environment other species, in order to survive, adapt by genetic evolution. This road would be too slow for mankind, for which the only alternative is cultural evolution, which thus becomes a matter of life or death.

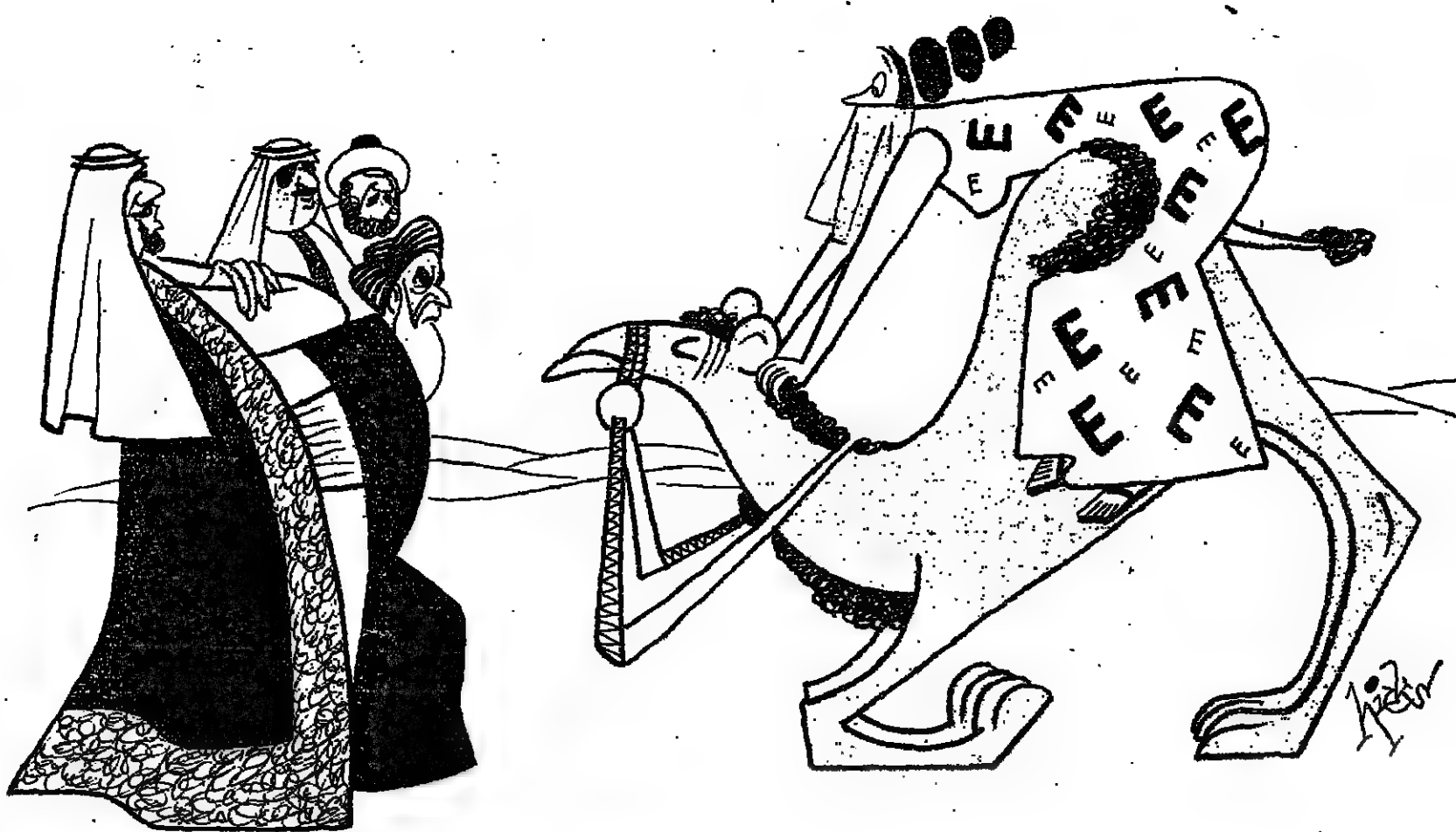
Starting from this truth, which is itself simple and awkward, the last report of the Club of Rome, *No Limits to Learning: Bridging the Human Gap*, states that last time can, however, be made up. Man has, in fact, a considerable intellectual capacity that has hitherto been neglected, and which can develop, so long as he creates new realities.

Two great projects have been planned as a first step in this direction. The first, referred to in the above report, goes under the name of learning. It aims to promote wide-ranging action to bring out the latent comprehensive and creative capabilities of millions and millions of people, to enable them to play a more knowledgeable part in the making of the historically important decisions that await them. *Unesco* proposes to fly the flag of learning in the 1980s, and many countries, from Spain to Venezuela, from Austria to the United States, are examining how to follow this road, each in the light of its own cultural characteristics.

The second project, which is to be launched by the end of the year under the name of Forum Humanum, proposes to mobilize the young, who are the greatest innovative force, and at the same time the heirs to the future. The aim is to create in different parts of the world a network of centres for research and reflection, directed solely by young people who are committed to studying how a better world can realistically be built for the year 2000 and beyond.

The frontiers of hope are frontiers that we need not look far to find, because, in essence, they can and must be found within ourselves.

**Aurelio Peccei**  
president, The Club of Rome



## Ancient fears of Islam revived in West

Islam is, after Christianity, the second most widespread religion in the world. It is 600 years younger than Christianity and still growing, and happens to be predominant in all but two of the member-states of Opec. That makes us all dependent on the Muslim world at a time when we are less able to control or predict its behaviour than in the more recent past. Suddenly we are all fascinated by "the Islamic revival". This is nothing new. "The Islamic revival" was the subject of a leading article in *The Times* in 1959, and in July 1956 M Guy Mollet told a congress of the French Socialist Party that pan-Islamism had become a menace to peace. The first Islamic economic conference was held in November 1949.

Perhaps the main difference between now and then is that then *The Times* could write: "Most Muslim countries today, with the exception of Pakistan, are poor and politically unstable..." No Western commentator would be likely to write that today.

And yet, as most Muslims are acutely aware, it is still true that "most Muslim countries are poor". Most Opec countries happen to be Muslim, but most Muslim countries are not members of Opec; and even Opec, with a combined population of some 300 million, has a combined gnp less than that of any one of the industrial states which took part in last year's Tokyo summit. And two thirds of the members of Opec have balance of payments deficits.

Still, the possession of oil has brought relative wealth, in a highly disposable form, to a small number of Muslim states and has greatly increased their strategic importance. That has done something to revive the self-confidence of Islam, but a great deal more to revive ancient fears and jealousies of Islam (mixed with respect and genuine interest) in Western

Europe. We are acutely aware of Islam's new strength, while Muslims themselves are more aware of their own vulnerability and weakness.

For 1,000 years Islam held its own, equal or in many respects superior to, the Christian culture of Western Europe. Then Europe left it behind—economically, technically, militarily—and, in the nineteenth and early twentieth centuries, European powers brought almost the whole Muslim world under their direct or indirect sway.

Today the Muslim states—more than 40 of them—have reasserted their political independence, but economically and culturally most of them still feel on the defensive. None of them is yet fully industrialized. All need to import a whole range of manufactured products, but above all technology, from the non-Muslim world. None can afford, and few want, a head-on conflict with the West.

Some believe a conflict with the United States is necessary because of the excessive involvement of American interests in their economy or their politics, or those of their immediate neighbourhood. But even those

look to Europe, now that it has relinquished its empire, for a more equal and mutually beneficial relationship.

On the European side, political and economic leaders are more and more acutely aware of their dependence on the Muslim world, and feel the need for a closer and more stable understanding with it. Business between the two is brisk, but in a way that is febrile rather than healthy. Nowhere was it bricker than in Iraq, but how brutally it was interrupted and what a legacy of acrimony and disgust it has left. Surely a sounder and healthier relationship is possible?

Since 1973 we have had a Euro-Arab dialogue and a North-South dialogue, both with disappointing results. Now there is talk of a "Euro-Gulf dialogue"—a dialogue between persons of substance, with the tiresome poor relations relegated to an antechamber.

But this is not exactly bursting into life, for the would-be Gulf partners are still divided on the very issue that held back the wider Euro-Arab dialogue: should they agree to concentrate on economic and financial questions, as the Europeans wish, or should they insist on

their political concerns and try to drag the Europeans into an open conflict with the United States on the issue of Palestine?

There is no reason to think that a Euro-Muslim dialogue would not encounter the same problems. Institutionally, the framework is there: the Organization of the Islamic Conference, with its permanent secretariat in Jiddah under the capable M Karim Gave—the world's only inter-governmental organization founded on an avowedly religious affinity.

It is an organization not without points of similarity to the European Community: especially the fact that its decisions are taken unanimously, or not at all—symptomatic perhaps, in both cases, of the difficulty of building political and economic unity on a common cultural heritage when it runs across linguistic and ideological, as well as national, divisions.

Theoretically, perhaps, the unity of Islam should be easier to realize than that of Europe. The tradition of the *umma*, the single community founded by the Prophet, is much stronger than that of Christendom as a political entity (let alone the Holy Roman Empire).

But in practice things are different, with more than 600 million Muslims divided into more than 40 states and spread over two vast continents. Agreements have been reached on economic, technical and commercial cooperation, but they are very imperfectly applied. In any case, they fall short of the imaginative five-point plan—industrial transformation, self-sufficiency in food and grain, single currency area, \$1,000m investment in education and science, and expenditure of \$5,000 a year on the attainment of "basic human needs"—put forward by Dr Mahbub ul Haq of the World Bank in 1977.

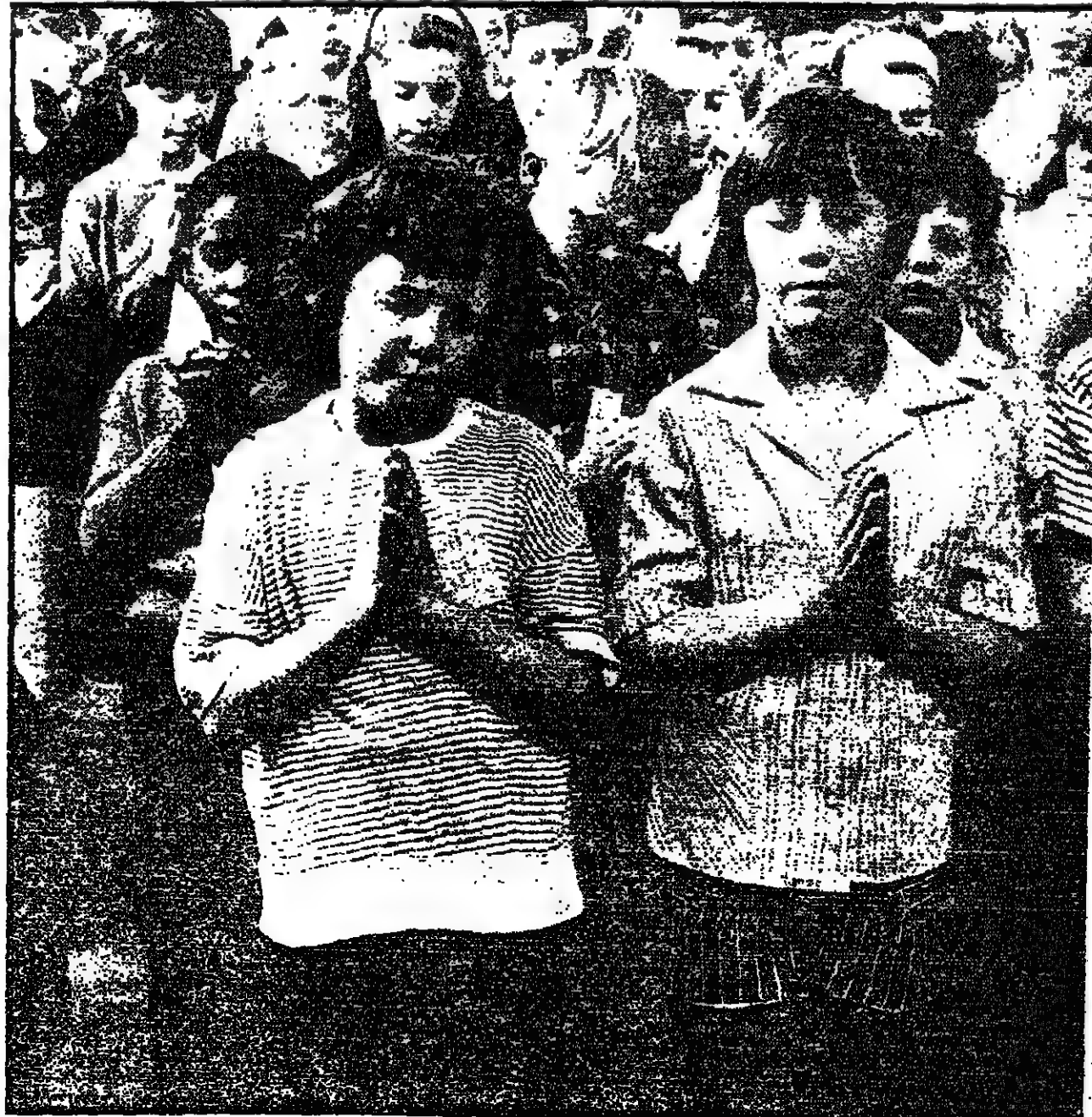
There is no Islamic common market. The main achievement to date is the Islamic Development Bank, capitalized at \$2,000m for channelling Arab

oil revenues to less developed Muslim countries. (In dance with Islamic tradition: it does not lend at interest, but prefer participation in his enterprises.)

Ideologically, the world is deeply divided. Fundamentalists would claim there are no truly states, with the possible exception of Iran since the revolution—and Iran, precisely because it considers the credentials of the other so suspect, is a somewhat reluctant participant in the Conference. ("The core which are held in the Islam do not in reality Islamic objective", Imam Khomeini once said.)

Otherwise there are states which claim to be Islamic, but which are in reality capitalist. Some are others very close to it even though all now formally non-aligned. In so far as there is a "Third World" that of the Third World: economic revolt, the conference read more like duplicates of this Group of 77. Where a general agreement on matters, it is that of world: essentially with the Palestinian and demand for the r of the Haram al-Sharif, the Muslim rule after the burning of Aqsa mosque in 1969, was held at a permanent Organization Conference was set up.

In any Euro-Muslim dialogue, therefore, the European must find themselves confronted with the same demands I have met in the Middle East and Arab world: the "national economic or support for the right Palestinian people: sent by the PLO. I have something new to either or both of the Euro-Muslim dialogue to achieve this. Edward Mc



The faith of worshippers in Tebran may disturb Western observers because of its political overtones, but the faith of the young holds out hope for the future. The Forum Humanum this year will mobilize the world's youth.







# Jewish conscience will point the way to Palestinian freedom

the oldest of the civilisations, will be celebrated. Its great message is the inalienable right of every human being, ever two years ago, I article in this newspaper celebrating the festival of the Jewish people, I was uncomfortable at awaiting their freedom. I was not, and setting my admiration for Israel and the PLO, I received angry letters from

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**'In Israel an ailing prime minister tries to control an undisciplined cabinet and inflation runs at 115 per cent. But the future holds more hope than ever before'**

zealots whose quasi-mystical nationalism and fundamentalist determination to annex every place mentioned in the Bible make them brothers beneath the skin of religious differences to the Ayatollah Khomeini's followers.

It is because progressive elements in Israel, both religious and secular, are involved in a long, slow process of educating public opinion. They are confronting fellow citizens with the moral implications of the Palestinian problem and questioning the effect that 13 years of colonial rule has had on the character of the Jewish state.

On a recent visit to Israel I talked to rabbis, kibbutz thinkers and young people whose sensitivity was reassuring for all of us who regard the creation of the State of Israel out of the ashes of the Holocaust as the greatest achievement of this century.

There was, for example, Rabbi Adin Steinsaltz, well-known in the Israeli press and on television as an eloquent spokesman for Jewish Judaism. He is adamant that the Jews of all people have no right to deny the national aspirations of the Palestinians.

"We, who for two thousand years were defined by others, cannot tell the Palestinians

that they are not a people. One of the basic philosophical problems of the Jewish people today is that only in the past 30 years have we been given the opportunity to define ourselves."

Adi Assabi was wounded on the Suez Canal in 1971 and fought in the Yom Kippur war. He lives in Natanya, 12 miles from the West Bank. That does not worry him. "Security and borders count in states of war, I'm thinking about peace. An enormous de-programming of the Israeli people has to take place."

"For 30 years our major concern has been physical survival. We talked peace, but always in terms of war. Now we have to think through what peace means. In Hebrew it comes from the same root as the verb 'to pay' and psychologically we have to learn to pay the price of peace. In a peace situation and with modern technology it hardly matters whether the border is 12 or 20 miles away."

"Of course we have to maintain a strong army, but an Israeli defence army—was originally intended—not an army of occupation. I would not want my son to fight for the West Bank."

Not is he too concerned about the PLO's charter.

"Words. Take them at their face value. The Palestinians

say that Mr Begin's government wants a greater land of Israel, two sides of the river Jordan, which means their destruction. These are the stale arguments of politicians and can be overthrown by the intentions of most people for peace."

Why not, then, a bi-national state? "Emphatically no. My concept of Zionism is that it serves as the embodiment of Judaism in education, in foreign policy, in social justice. It is the opportunity to develop a Jewish identity based on our prophetic and religious tradition. That can't be done bi-nationally. The Palestinians should be allowed to develop their own identity and we ours, living side by side."

Living side by side with Arabs is the aim of Rabbi Bruce Cohens' terms for Peace programme. This worthy but as yet modest organisation provides the funds for qualified Jewish volunteers to spend up to a year working in Arab villages of the Galilee and for Arabs to do the same in Israeli villages.

Doctors, teachers and social workers help to break down the hostile formalities that typify relationships between Israel's Jews and Arabs. "It's a small attempt at bridge-building which we'd like to see grow," says Bruce Cohens, an immigrant from America.

The kibbutzim especially are sympathetic to our aims."

The kibbutz has always represented Israel's highest values. Its members have at least tried to grapple—not always honestly—with the dilemmas of hiring cheap Arab labour or of appropriating Arab land for "security" purposes. The kibbutz movements, along with enlightened religious opinion, question the wisdom of ruling over a West Bank minority whose higher birth rate will soon make them a majority.

When I put it to a leading kibbutz personality—a man regarded by the Foreign Office and the Quai d'Orsay as destined for high office—that nothing so disturbed diaspora Jews as the creation of new settlements on the West Bank, he replied: "I agree. This is a moral, not a security issue. On it depends the type of Jewish state we want to create and the future of Zionist ideology. We cannot have a democratic Jewish state and permanent occupation of Arab lands."

These hostile to Israel will dismiss such opinions as mere straw in the wind. I think not. They represent strands of the Jewish conscience—religious, humanitarian, ethical—which will coalesce and prove irresistible. Israel is not involved in one of those intractable historical processes which some fear and others try to delay: like the original Pharaoh who denied freedom to the Children of Israel, Judaism's constant message, though, has always been that justice must prevail.

Which is why I am more optimistic this Passover than two years ago. The Palestinians will get their freedom. And I am convinced that it is the Israelis, in keeping with the teachings of Jewish tradition, who will grant it to them.

Rabbi David J. Goldberg  
Liberal Jewish Synagogue

Bernard Levin

## Taking a short walk on the Australian water

**'I cannot help feeling that soap, water and nail scissors can make up for quite a lot of Norman Hartnell'**

significant is that no two of the villas are built alike.

Within those villas there clearly dwells a force largely contented with the world as it is, and by no means eager to come to terms with the new one gestating in Sydney, never mind in Europe and the United States. At a mid-morning matinee I found myself amid an audience otherwise entirely composed of children. The play was a modern fairytale performed by a French company in their own language, and I resigned myself, amid the brain-damaging din that preceded curtain-rise, to the continuous uproar that such an enterprise would certainly have called forth in the audience.

Not in Adelaide, however, where upbringing clearly follows a more ancient model. I cannot believe that 10-year-olds here are fluent in French, or for that matter fascinated by a rather soppy story, yet the play was watched in unbroken and attentive silence, the screaming and whistling only being resumed when the cast took their bows. At the evening concert, the children's older siblings on show, trim as the lawns. The girls in particular were an amazing sight to European eyes. There was not a pair of jeans among

the laundered dresses, and hair was not only brushed but cut, instead of being gnawed off by rats as is the practice back home. (Indeed, though I was not of course so indecent as to peer, let alone enquire, it seemed to me that they were even wearing "ras.") Great scandal, followed by dreadful vengeance, was caused here not long ago when an Englishman, of all things, declared that Adelaide women have no style. As a matter of fact he was right, as the girls' mothers demonstrated at the time concert. But I cannot help feeling that soap, water and nail scissors can make up for quite a lot of Norman Hartnell.

Certainly I would go mad here in a month if I have already narrowly escaped a charge of manslaughter after causing a restaurant receptionist to drop dead from shock at the other end of a telephone on which I was trying to book a table for dinner at the degenerate hour of 10.30, but surely can be overrated, and anyway I am sure the local funnymen are not so much as the spiciness of clean, Adelaide is a city of nearly a million people. If I say that it seems to have the spirit of a place one-tenth of its size, the most interesting thing about the statement is that I do not believe Adelaide would feel insulted by it.

There is a world elsewhere. The first item I read in the first newspaper I opened after my arrival was a leader that went like this:—

"The world does not have to buy from us. We have customers today for our products because, above all, we have had the reputation of being a stable country. We are fast losing that reputation. Militant unions are un-mindful of the fate of their fellow-workers and the

union. If the Labour party and the moderates in the union movement wish to survive, they have to take on the militants and refuse to allow themselves to be led into oblivion.

Even since then, I have been reading complaints that the Leader of the Opposition is making too many concessions to his left wing, that the motorcar industry is in danger of collapse "against a background of stagnating sales", and that the government's attitude to the social services leaves much to be desired. And as if that wasn't enough to suggest that Australia may not be quite so far from Britain as geographers would have us believe, there is the continuing story of the independent petrol-distributor who sought an injunction against the Transport Workers' Union in a matter of secondary banking not to have his supplies cut off by the union but by the producers (Amoco and Total) who, true to the precept that there is nothing so craven as an oil company faced with a question of freedom, announced that their action was "taken in the interests of industrial peace". It might have been a CBI spokesman back home defending the closed shop.

In the circumstances, I can hardly be blamed for assuming (too readily, as it turned out) for the subject was hemophilia) that a headline which read "Programme to help save the bleeder" must have been an attempt by Mr. Callaghan and his moderate colleagues in the Labour leadership to shore up their crumbling position. But nor, I feel, can Adelaide be blamed for wanting to stop the world going round just a little longer. Such an attitude of course, can hardly fail to be reflected in the city's approach to its Biennial Festival, and it is in the Festival itself that I shall turn my attention tomorrow.

(To be continued)  
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## LONDON DIARY

This early nineteenth century Russian armchair (left) was sold for £15,000.

at Christie's last week.

Its history is unknown, but London Diary art experts believe it to be the work of the Russian emigré sculptor and woodcarver Yevgeny Polak, who came to England during the war and set up a studio in Never Hadham, Herts. He is said to have carved the chair from the life over a period of three years in a doctor's waiting room. Unfortunately, his sister died shortly before its completion, just as his turn was called. His expression is thought to indicate that whatever disease he was suffering from no longer required treatment.

British Rail? The ruling only seems the more perverse now that they are, as an exception to the general rule, allowed into sleeping cars.

British Rail plead hygiene, but buffet cars in particular are seldom so salubrious that the introduction of a highly-trained and well behaved guide dog would give offence among the general press of football fans, railway vandals, litter



Anti-nuclear marchers on Harrisburg Day in London last week.

## The battle over nuclear waste

Burnt nuclear fuel is one of the nastiest substances known to man. It is highly radioactive and highly toxic and will remain so until the twentieth century has long passed into history. The question of how to treat it, how to dispose of it so that its lethal nature will never become a threat to future generations may become the most emotive yet posed in the debate over nuclear power.

The Government is examining three options for long term storage: burial on land, burial under the sea bed and disposal on the sea bed. Burial on land has already run into strong opposition despite the fact that a final decision on the best way of disposing of spent fuel is unlikely to be taken before the end of the century.

One land burial suggestion is to encase the waste from the uranium fuel in glass blocks and bury them 1,000ft under the ground in stable rock formations. To establish whether land burial in Britain is feasible, the Institute of Geological Sciences has identified 15 broad areas for further investigation to assess the suitability of their rock formations for building underground caverns to store the waste.

The Institute is acting for the United Kingdom Atomic Energy Authority, which is responsible for solving the problem. Planning applications were made to drill boreholes in granite rocks at two places in Northumberland, one in Caithness and another in Carrick Forest in Strathclyde. Caithness was granted a drilling permit ahead. As host to the prototype fast reactor at Dounreay, it would have been strange indeed if a planning authority in the county had turned down a request to drill a hole. The other requests were refused.

The first inquiry into the authority's appeal against the Strathclyde refusal has just ended at Ayr. A protester called it a farce as soon as it started. The reporter, who under Scottish law presided over the inquiry, warned that as their application was solely to drill boreholes to investigate rock strata and was not an application to investigate a possible site for an underground repository, objections should be based on the suitability of drilling equipment and mobile caravans: the wider implications of nuclear waste burial were not at issue.

Naturally, the protesters disagreed. The protesters' argument is clear: it is to be feared that a successful battle is to be fought against nuclear waste being deposited, even chance to fight it must be taken, and that includes drilling boreholes to investigate the suitability of rock strata just as much as it means opposing an application for a repository itself.

The next appeal, over refusal of permission to drill in Northumberland, will begin on October 8. It is likely to be a replay of the first. Opposition to nuclear power in Britain, the Department of Energy fears, will make itself felt not

through national campaigns but at a local level through the planning laws. Whatever its advantages, no-one wants their area to be used as a nuclear rubbish bin.

The environmental group Friends of the Earth already considers that the spirit of the sixth report of the Royal Commission on the Environment, chaired by Sir Brian, now Lord Flowers, has been broken. This recommended that there should be no commitment to a large-scale nuclear programme until it had been demonstrated beyond reasonable doubt that a method exists to ensure the safe containment of long-lived, highly radioactive waste for the indefinite future.

The Flowers report was confident this could be done. Friends of the Earth argues that it has not been demonstrated that it can, yet the Government has announced a large-scale programme. It is a nice point. The Atomic Energy Authority says the technology exists to vitrify the waste to make it easy to be stored, transported and buried if necessary. A commercial process is operating in France: the geology required for a store is known and a satisfactory demonstration could be carried out.

### Detailed study

Scientists in favour of nuclear power believe fears over nuclear waste arise largely through ignorance. They say there is no cause for concern by residents of the areas selected for detailed study, which now include central and north-west Somerset, south-east Hereford and Worcester, north Gloucestershire, north Leicestershire, south Gwynedd and north-west Powys in Wales, as well as the areas for which planning permission has been sought.

Radiation from atomic wastes falls into three types. Beta and gamma particles, which are highly penetrating and highly dangerous, capable of killing through all but the most intense lead, concrete or steel shielding, but which decay relatively quickly; and alpha particles, which are highly toxic, usually long-lived, but which can often be shielded by a sheet of paper. Plutonium and uranium both emit alpha particles.

The alpha emitters create the greatest long-term problem, remaining active for hundreds of thousands of years. The problem can be staggered. Many of the most highly active heat generating waste products produced by burning uranium decay very quickly. Some last much longer. After cooling in storage ponds for up to 50 years they could still give off radiation doses sufficient to kill an unprotected human who came close for just a few minutes.

Vitrification is planned because these liquid wastes are more difficult to store permanently than a solid column. After vitrification the wastes

would still be potentially lethal, but after 500 years the toxic level of radioactivity would have fallen to a level of the uranium ore needed to produce the fuel for the reactor from which the uranium came, albeit in a much more concentrated form. This is providing that the waste has been reprocessed to separate out the plutonium and residual unburnt uranium for re-use in a fast reactor programme.

After 500 years an unshielded man could approach a cladified vitrified column of waste without harm, but the waste would still kill if injected. The waste has not been rendered harmless and it will not be for thousands of years, but the likelihood of enough of it seeping back to man from a repository underground is considered extremely unlikely.

According to Dr Lewis Roberts, director of the Atomic Energy Authority research establishment at Harwell, the radioactivity remaining in the waste after 10,000 years would be approximately equal to the level of the granite about it.

But such a time scale might as well be infinity to today's generation. Even 500 years is so long it is almost impossible to contemplate. So far back in time Britain was engulfed in the Wars of the Roses. No-one can say what life will be like 500 years from now. The Atomic Energy Authority is looking for a method of storing the waste which would protect against a complete breakdown in technological society. Technically it is always safe to keep waste under surveillance. A repository protects against an unknown future.

The amount of vitrified nuclear waste produced by the electricity sufficient to provide the needs of one man during his lifetime, is small enough to fit into the palm of your hand. By the year 2000 enough highly active waste may have been produced to fill a repository measuring 1,500ft by 1,200ft by 300ft costing about £100m. By that time nuclear electrical generation might be producing 3,000 cubic feet a year or one vitrified glass column weighing one ton per day.

It sounds a lot. It is not by the standards of other industrial waste, some of which are themselves highly toxic. It is also only a small part of the total radioactive waste from a nuclear plant, most of that can be dealt with comparatively easily.

Nevertheless it is not what the faeries would want at the bottom of the garden. There is an understandable dislike at what the scientists say about the possibility of safe disposal. Ultimately the layman must decide if nuclear power and nuclear waste is what he wants.

Nicholas Hirst

local councils, and even the European Parliament offers its members a choice between a glass and a paper cup. He is raising another question asking for Westminster MPs to have the choice. "I personally would have not the slightest objection to using recycled paper. Certainly for memos between members a high quality product is not needed," Mr Dwyer told me.

To be fair, the Honourable Members have taken a step in the right direction. I have it on the authority of HMSO that they are already using recycled paper—in the toilets.

Dear Sir...

Here is a variation of the hand-to-hand parlour game invented lately by my noisy upstairs neighbour, Bernard Levin. You know, the one about your grand-mother knowing a man whose father's great-uncle sat on the knee of a woman whose second cousin met Harry the Fifth on the train home from Agincourt. A man who wrote his last letter to The Times in 1972 had his first letter published at the same time as the last letter of a man whose first letter appeared after the last letter of

a man whose first letter appeared in December, 1820. As it is probably still rather early in the day, I shall put it another way: three correspondents to the opposite page, all of them eminent, span a period of 152 years.

Walter Savage Landor, the writer who once fired a gun at the window of a Tory he disliked, had his first letter published on October 4, 1820, on the subject of Lord Castle-reagh. His last appeared in June, 1862, a month after the first publication of a letter from William Hoffman Hunt, the Pre-Raphaelite painter.

Hunt's last letter appeared in January, 1909, within a few days of the first letter from Sir Harry Brittain. Sir Harry penned his last missive on November 2, 1972, on the subject of the BBC, shortly before his 100th birthday.

Alan Prentice, of London, W.C.1, who borrowed in the archive to unearth the details of this long chain, thinks I should have offered a prize to anyone who could guess the names of the three correspondents. But I am afraid I cannot afford prizes at the moment, as I am having the



ceiling of this diary reinforced against the weight of columnists upstairs.

Why should guide dogs for the blind not be admitted to restaurants and buffet cars on

lours and hard-drinking bootlegs.

Mrs Jill Allen of the National Federation of the Blind surprised the National Consumer Congress by revealing the existence of the ban this week. For good measure she added that guide dogs are similarly banned from both Butlin's and Peveril holiday camps, and that when she goes to the Royal Albert Hall next week to be present when her daughter performs there she will not be able to take her dog, Topsy, with her.

The Royal Albert Hall make arrangements for guide dogs to be left with a friendly stage doorman, but Mrs. Allen says many guide dogs cannot be left with any stranger.

People in the audience rustle papers, cough and make noise than Topsy ever would," she says.

Ginger snap

J. P. Donleavy, tweed-suited and stout-browed, lounging on a velvet Chippendale sofa while soundproof waiters and the Assistant Master of Foxhounds Luxuriant in the birth of the latest of a long

line of high sexual farce and undelivered explosive. That began, 25 years and 10,000,000 copies ago, with The Ginger Man.

Donleavy's latest, Schultz, in typical telegraphic style. With odd punctuation. And more rude words to the square inch than the lavatory wall of The Den, Millwall. Donleavy, who represents at Mullingar, again his diminishing vein of preposterous aristocrats who do and say thoroughly outrageous things. Unsuitable for a family newspaper.

His latest, with London theatrical setting, drawn from bitter experience. Of four plays on the West End stage. Donleavy, 54, Irish-American by birth but wholly Irish by passport since 1969, acting the part like so many of his wilder characters, of Irish country squire at Mullingar. Co Westmeath. Without one presumes his characters' bawler excesses. Although the Master of Foxhounds has taught him to sit properly on a horse.

Donleavy worrying. In case Prime Minister Haughey whips the carpet of authors' tax exemption from under his feet. Raising the spectre of abject-

ing his breeding herd of cattle. And horses. And fleeing to New York. Convinced the censorship has brought so much good publicity and tourism to Ireland. That Haughey wouldn't dare.

Donleavy working on an unexpurgated code of foxhunting. And amazed that Mullingar, heretofore famed only for heifers, has acquired a bookshop. That sells his works. Even The Ginger Man, still technically banned, because of rude remarks about Catholics. Bravely over the counter, even in Mullingar. Where the cissies banned Edna, but never Ulysses.

A colleague bought a sweater at an Oxford Street sale, noting the label inside the neckband: "Cassidy-Shetland wool—made in Scotland" with an illustration of two sheep. When he got it home and started putting it on he found another label, fixed to an inside seam. This read, "Made in Wales—100 per cent pure wool". Since then, every time he pulls the wool over his eyes he wonders who else is doing the same thing to the customers.

Alan Hamilton







A reflection of political issues

## Judgments which bind nine Community countries

est ouverte", the out in a respectful barristers and mem- public permitted to e as the nine judges can Court of Justice ourroom and take on the bench.

at before the court all kinds and varie- money. Five cases ard involving five nber states accused of the regulations. he European Court ive accusations on y court.

y, the European ice is... no, it is ne as the Inter- of Justice in The is concerned with rnational law. Nor e as the European nan Rights, which urg and deals with d infringement of 1 Convention on

an Court of Justice mbourg, and is a task of up- w in regard to the and enforcement s and the imple- ments brought in l of Ministers and

ore, the supreme European Com- a such, naturally arily with econo- But, since its blinding on the y countries, the y political issues is not surprising e frequently con- other courts.

aret Thatcher's Bonn, when she a lively discus- r desire for a contribution to e, the director of and Informa- Herr Bölling, ws to the Chan- fice that Stras- the British out- their discrimina- e Breton fisher-

the immediately British Prime ds as an exampl- c of Community ormation which should have had, t the ruling was s ago, that Lou- ed with it, and given in Luxem-

bourg, not in Strasbourg. What the Chancellor said to his press spokesman afterwards is not on record.

There is clearly a problem here. Rulings are given on mat- ters of importance for Europe and yet, as can be seen, even a government agency responsible for the collection of information can be misinformed about them.

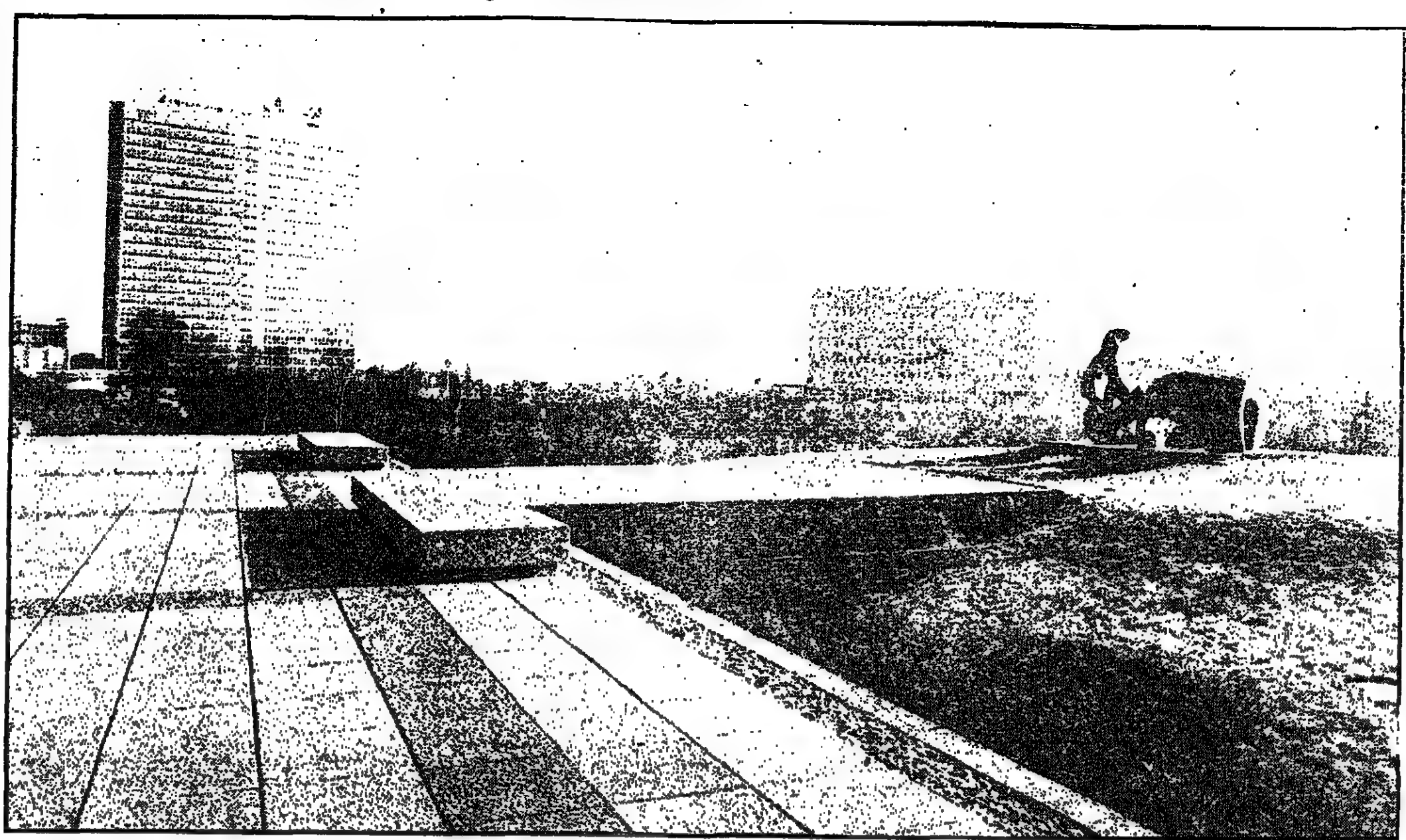
This is greatly regretted by the President of the European Court, the German constitution- al lawyer Herr Kutscher. "There is no area in which European integration works more effectively than the administration of justice", he says. "But, as a rule, the public gets to hear about such matters only as the French Government's refusal to comply with the court's injunction against the French ban on imports of lamb from Britain."

Yet in 1979 the court made more than 130 rulings and further 750 new cases were listed for a hearing. These mostly concern questions referred to the court by a Community court, whether in Messin or Kiel, Berlin or Bordeaux, which has interpreted some piece of national legisla- tion as being contrary to Com- munity law and ordered suspen- sion of proceedings accordingly.

But a government or EEC organ can also apply to the court, direct, and individuals can bring a suit before it if they feel their rights have been infringed by any of the Com- munity's instruments. The court dispatches its business fairly briskly; it is proud of the fact that cases referred to it are dealt with in seven to nine months, and that direct suits are adjudicated within a year of their being brought.

But if a country refuses to comply with the court's rulings, as France has done in its con- tained ban on British lamb imports, is there any redress? "It is, of course, a serious breach of the Treaty of Rome", President Kutscher says, "but it is not within our jurisdiction to rectify it."

For the European Court of Justice has no powers of its own to enforce its judgments. The governments concerned must agree together on how the matter is to be settled. British lamb exporters, however, could always bring suit for damages against the French Government before a Paris court, citing the Luxembourg ruling, by which



The European Courts of Justice in Luxembourg, the supreme court of the European Community.

French tax regulations, under which spirits made from grain were subject to manufacturers' excise duty whereas those made from wine and fruit were not. The French Government pleaded positionally that two different products were at issue, each of which could be taxed on a different basis. The court stuck to its opinion. Whisky and gin, which are dis- tilled from grain, come from abroad, while cognac and fruit

brandies are made from French produce. All nine judges stood by the view that the French Government was distorting competition in order to benefit its own products. The Italians tried to get away with a similar scheme—equally unsuccessfully—by imposing a system of revenue stamps for spirits made from grain and sugar cane while exempting their own products made from wine and must.

Denmark, while exempting its own aquavit products, claimed that other kinds of product should be subject to duty. This was rejected by the Luxem- bourg judges. Ireland has not adopted a system of excise duties but has been operating one of allow- ances to the benefit of its own products—against regulations, as decided by the court. Lastly, the British Govern- ment wanted to maintain a con-

sumption tax of £3.50 on a gal- lon of wine but only 60p on a gallon of beer, the great bulk of which is of British produc- tion. The British Government's counsel pleaded forcefully that the two beverages are not in direct competition, and cannot be substituted, also that wine is measured by the glass but beer by the pint, thus making the tax a unit more or less the same, and that wine imports had been registering a continual in-

crease despite the tax. In this case, although holding that the basis of the tax was the alcoholic content, the European Court of Justice de- livered an interim judgment which left the door slightly open for the British; they were authorized to make further sub- missions on the subject of the non-competitiveness of wine and beer.

Hans-Herbert Holzamer

### On the contrary

### Next member?

ng's announcement of yet another for membership of the EEC has red feelings in Brussels. tribute to our success", one Com- munist said, "and of course we democratic European countries ling and able to join." But privately rs confessed to doubts. "Fourteen too many for a viable Community", ropean Commission official mused. e broader issues, too. The Com- rthern member states may be glad other central European country nce the entry of the Mediterranean n France and Italy may think dif- ready, agricultural and especially erts within the Community are the likelihood of new low-cost com- hile Community industry remains s spokesmen resent the prospect of and for regional aid. omic argument is finely balanced, tors are more uncertain still. Al- a constitutional monarchy, the rul- g dynasty has long been under the left; news of possible overtures has provoked veiled threats from well as disquiet in Strelsau. Only lf's and Colonel Sap's sense of ke Ruritania's application so

Pangloss

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## First step towards firm exchange rates



Signor Filippo Maria Pandolfi is the president of the Interim Ministerial Committee of the International Monetary Fund; he was appointed to this position last autumn. The appointment reflects his position as Minister of the Treasury in the Italian Government that has just fallen. But his selection, from among the 21 members of that committee, was determined not only as a matter of routine but also on account of the high reputation as a technical expert that Signor Pandolfi has built up in recent years. He talks here to Mario Salvatorelli

For 10 years now there has been talk—to put it mildly—of reforming the international monetary system, and we seem to be no further forward. Does this thought not discourage you? No, I am not discouraged. From the psychological point of view I would like to answer with a well-known adage which

monetary system, not many people would have been prepared to bet on the collective ability of those involved to carry it through successfully, even given time. I remember, incidentally, that that report recommended the IMF to examine "means of substitution". This, also, came to nothing. But since then many things have changed on the international monetary scene. Do you mean that the situation appears more favourable to you, today? If so, on what do you base this conviction? The ideas and proposals of the early part of the 1970s, starting with the central idea of giving special drawing rights increasing prominence along- side the dollar, were crushed by the circumstances of which we are all aware. I refer to the great expansion in dollar credits as reserves, and the great elasticity in supply of international liquidity. The reform proposals passed into a

state of eclipse, above all as a result of the first heavy rises in the cost of oil. But the size of the phenomenon, and the relative inability to control it, have slowly revived the argu- ments for a possible reform of the system. Thus the creation of a substitution account has clearly emerged as a first step in this direction.

It was probably a mistake, 10 years ago, to aim too high, to imagine global reform of the international community was not prepared to accept. Now, on the other hand, a greater degree of pragmatism seems to prevail. Precisely. The renewed in- terest in a substitution account is not, today, an abstract idea for dealing with abstract prob- lems. The question now is how to extricate ourselves from a situation that is uncomfortable for everyone. The choice lies between a reserve system based predominantly on the dollar, and a system using a number of reserve currencies, the latter system being the product of an over-heated process that is dis- rupting the exchange markets. We must extricate ourselves from this situation, which is clearcut for all to see.

Would the way out of this situation be the adoption of a substitution account? Of the possible solutions, the substitution account offers the greatest hope of achievement. Of course, we must not cherish the illusion that with this new aid all our problems can be solved. Rather, it should be seen as a first important step for- ward. Especially where theoretical investigation is concerned, it would be wrong to set limits on the function of the substitution account and more generally, the special drawing rights. But in the mean- time, let us look realistically at more immediate objectives.

more immediate objectives. How would you define these immediate objectives? What I mean is, what can we and must we expect from the setting up of a substitution account?

The biggest problem today is caused by the dollar being considered not so much as the currency of the United States but as an international currency. Foreign trade is generally settled in dollars: where payments balances are not in equilibrium, dollars tend to accumulate in one country, or in a group of countries. Those that accumulate reserves of dollars are faced with the prob- lem of defending the value of these reserves, as time goes on; hence the tendency to convert them from time to time into currencies that are held to be more stable.

Because of the size to which the dollar surplus has risen, foreign exchange markets have come under pressure. Exchange rates have suffered as a result,

fulfilling less and less their function of expressing, as should traditionally be the case, real competitive rela- tionships between the systems of production underlying these currencies. The first objective of a substitution account is to restrict this disruptive effect on the markets.

In the meantime it is obvious that the account cannot replace the need for better coordination of economic and monetary policies, in pursuing a disin- flationary strategy on a world- wide scale. The account is complementary to this process, and is certainly not an alter- native or a substitute. How can the substitution account technically represent an alternative to the diversification of reserves?

Dollar surpluses, or in any event part of the dollar re- serves, can find a safe haven in the working of the account. In return for dollar deposits the central banks will receive substitution account certificates in denominations of special drawing rights, guaranteed not to lose value as time passes, with a good rate of interest and the indispensable guarantee of liquidity for balance of pay- ments requirements. The ac- count in turn will use the dollars received to buy long- term Treasury bonds. The account—that is, the amount of dollars deposited for substitution—must be of a suf- ficient size. If it is to fulfil its aim of stabilisation.

Undoubtedly, the effective- ness of the substitution account depends in part on the level of deposits it will be able to collect. Imbalance in the pay- ments balances is tending once again to become serious. One need only recall that in 1980 the petrol-producing countries' surplus will certainly exceed \$10,000m, and that already, at the end of 1979, the dollar cur- rency reserves of the central banks throughout the world totalled more than \$12m. The figures that I have indicated make it clear, in any event, that the account must be sufficiently large if it is to achieve its objectives.

In addition to purely currency questions would these objectives also include the better develop- ment of the world economy? I think so. I would like to go no farther than to emphasise this point: the oil-producing countries are now in a situation where they programme some- what rigidly their supplies and prices, because it is not possible for them to preserve the value of the currency surpluses they obtain by exporting their oil. If these conditions change, one of the destabilizing factors of the world economic situation will be reduced. But this is only one

aspect of the matter—you could quote many more. Who will gain from the setting up of a substitution account?

If I were to reply that we should all gain, I would be stating what I personally be- lieve, but that might seem an answer prompted by con- ventional optimism. Instead, therefore, I might answer by asking a question myself: who gains from the present insta- bility in exchange rates? If what you say is true, the sub- stitution account ought already to be a reality.

One of the problems of our time, at national as well as at international level, is the in- adequacy of the decision- making processes, in relation to the changing nature and often the urgency of the problems that have to be faced. Patience is necessary, and tenacity. But it is not only a question of procedures.

Certainly not. The setting up of the substitution account also presents other, special aspects, both technical ones and those that end up by being political, in significance and colour. One need only mention problems such as the role of gold in the monetary fund as a guarantee of equilibrium between the debit and credit sides of the account. This, and other ques- tions of more than minimum importance, are today up for discussion.

But, behind it all, the real problem stands out, which is that people generally must come to the conviction that a serious move towards reform- ing the international monetary system is both necessary and urgent. I said "people gener- ally". In reality the substitution account is not the concern of just a few, nor does it affect only a few; it is the concern of a great many people, and affects a great many.

How far are we towards this general conviction? After the exploratory contacts that you have had since becoming chair- man of the Interim Committee, what forecasts can you make?

The contacts that I have had so far have left me with no doubt that there is a strong revival of interest in the sub- stitution account. I think that the direct negotiations with individual countries that I have started have been appreciated. Forecasts? It is a good rule not to make forecasts, at least at this stage. On April 25 the Interim Committee will meet at Hamburg. It will be another step forward along a road that is not easy. I would consider it a considerable achievement if, with agreement reached on a number of essential points in the working of the substitution account, the road ahead seemed clearer, and the final destina- tion nearer.



COURT  
RCULAR

**CASTLE**  
The Queen was represented by General Sir Rodney Brudenell-Bell, who was in the capital today.

**TON PALACE**  
The Princess Margaret, who was today visited and was entertained at lunch by the Lord Provost (Mr. John) at the City of Glasgow.

**TON PALACE**  
The Duke of Gloucester, who was today visited and was entertained at lunch by the Lord Provost (Mr. John) at the City of Glasgow.

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Forthcoming  
marriages

Mr R. L. Bancroft and Miss A. L. Taylor. The engagement is announced between Richard L. son of Brigadier and Mrs D. R. J. Bancroft of Chicks Farm, Kildown, Cranbrook, Kent, and Anna Louise, daughter of Mr and Mrs R. T. Taylor, of 'Marshall's' Farm, Billingshurst, Sussex.

Dr C. D. Nowers and Miss E. J. Thwaiter. The engagement is announced and the marriage will take place on May 3 between Christopher David, son of the Rev and Mrs J. W. Nowers, of 10 Elmley Close, Worthington, Berkshire, and Eleanor Jane, daughter of Dr and Mrs B. Thwaiter, of Milnthorpe, Sleepers Hill, Winchester.

Mr S. C. Wallaston and Miss A. Wilson. The engagement is announced between Bryan, younger son of Mrs Katherine Wilson and the late Mr S. C. Wallaston, of 21 House, Starcross, Devon, and Cynthia, elder daughter of Mr and Mrs Henry Wallaston, of 2 Ashford House, Ashford, Surrey.

**Marriages**  
Dr L. S. Hard and Miss S. E. M. Crawley-Boevey. The marriage took place on Thursday, March 27, in London, of Dr Peter Hard, eldest son of Lieutenant Colonel and Mrs L. F. Hard, and Miss Susan Crawley-Boevey, daughter of Major A. Crawley-Boevey and Mrs C. L. Crawley-Boevey.

Mr R. St. J. King and Miss C. E. V. Ryan. The marriage took place on Saturday, March 29, in London, of Mr R. St. J. King, second son of Mr and Mrs E. J. King, of Bedford, and Miss Clare Elizabeth Vera Ryan, only daughter of Mr R. J. Ryan, of Turrey, Bedfordshire, and Mrs C. E. V. Ryan, of Cranbrook, Kent.

Mr A. Manderstam and Miss G. B. Bunt. The marriage took place at 31 between Mr Andrew Manderstam, son of Mr L. B. Manderstam, of 31, and Miss G. B. Bunt, daughter of Mr and Mrs David Bunt.

The bride, who was given in marriage by her father, was attended by Debra and Elaine Bunt, Kinvara Norman, Sasha Reid, Rowena Jones, Jake Barton and Robert A. Johnston. The bridegroom was accompanied by his best man, Vincent Donohoe, who was best man.

A reception was held at the Cavalry and Guards Club. The honeymoon is being spent in the Canary Islands. Afterwards they will live at 4100 Cathedral Avenue, NW, Washington DC 20016, United States.

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Devon sale of steam  
trains makes £32,071

By Huon Mallalieu  
I well remember my dismay on discovering that my clockwork trains had been given away to a jumble sale. Dismay became gloom yesterday with the sale by Sotheby's of a good collection of gauge "1" clockwork railways, consisting of a rack engine, nine goods trucks, track, points, buffers and winding key, for £220 (estimate £150 to £200).

That was a lot in what was described as a "live steam sale" held at the Dart Valley railway station at Buckfastleigh, Devon. The average age of the bidders must have been much younger than usual, because of the school holidays, and the sale produced £32,071 with 35 per cent bought in.

The highlight was a 1914 Burrell 5-ton steam tractor fitted for agricultural use, which was taken over by the War Department during the First World War and subsequently used on fairgrounds. It was bought for £15,000 (estimate £12,000 to £18,000) by Mr Rochester, an engineer from Wellingborough, who thus fulfilled a life-long ambition.

A hand-built steam-driven model of the motor car, which was fitted with a spirit-fitted boiler and Stewart-Turner "Sun" engine sold for £1,700, against an estimate of £1,000.

**Latest appointments**  
Mr John Caines to be a deputy secretary in the Department of Trade from April, and Mr C. J. Caines to be a deputy chief executive of the British Overseas Trade Board in August, when Mr S. D. W. Caines will be replaced.

Mr Matthew Carter to succeed Mr Ruari McLean, topographical consultant and graphic designer, as topographical adviser to the Stationery Office.

Sir Gervase Daniel to be deputy chairman of the Prince of Wales's Committee succeeding the Marquess of Anglesey.

Colonel R. A. M. M. to be secretary of the National Maritime Museum, succeeding Captain T. L. Martin, RN. Mr Keith Mackelroy to be the museum's archaeological officer.

Sir Frank Price, reappointed chairman of the British Waterways Board for a further three years from July. Sir Frederick Garfield, QC, to be vice-chairman for two years from April.

**Meeting**  
The European-Atlantic Group held a meeting on Monday, March 31, at the House of Commons, presided over by the Vice-Chancellor, Sir Geoffrey Howe, EEC Commissioner for Industrial Affairs, and Mr Basil de Ferranti, MEP, vice-president, European Parliament and secretary, European Movement to Britain. Lord Layton presided and among other speakers were Lord Bage, Sir Hugo and Sir Frank Roberts, who presided over a dinner held later. Among those present were:

Mr R. A. M. M., Secretary of the House of Commons, Sir Geoffrey Howe, EEC Commissioner for Industrial Affairs, and Mr Basil de Ferranti, MEP, vice-president, European Parliament and secretary, European Movement to Britain. Lord Layton presided and among other speakers were Lord Bage, Sir Hugo and Sir Frank Roberts, who presided over a dinner held later. Among those present were:

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of £300 to £500, and the Weston Museum, Weston-super-Mare, sold £20 for a painted cast iron lamp for the World Junction signal box (estimate £50 to £100). They also paid £25 for the official clockwork railway for the box, which had been framed (estimate £30 to £50).

In London, Christie's held a sale of Continental porcelain which produced a total of £20,387, with 7 per cent bought in. Huon, too, there was an outstanding lot, a pair of brightly painted and ornate-mounted figures of South American parrots by J. J. Kandler, the greatest of the Meissen modelers. Despite minor damage, the birds, which date from about 1740, sold for £17,000 to the London dealer, Speelman.

Estimated paid £9,800 for a Carlin III Capodimonte squat globular vase, decorated with flowers and insects and dating from about 1745 (estimate £5,000 to £8,000), and £8,400 for a figure of a street vendor modelled by Giuseppe Grizzi, of the same factory about five years later (estimate £8,000 to £10,000). That price was also paid by a private buyer for a Capodimonte vase decorated with butterflies and other insects (estimate £5,000 to £6,000).

**Architecture report**  
A masterpiece of order out of chaos

By Charles McKean  
There is nothing like the new Milton Keynes shopping centre anywhere else in Britain. For that reason alone, it is worth a special visit. Yet, having made that visit, one leaves relieved that there is nothing else quite like it in Britain.

Most shopping centres are the outcome of negotiations between commercial and planning authorities and planners. In a few cases, good architects are added to the ingredients. The Milton Keynes centre is different.

For the new centre is called, as the development corporation is prepared to spend far more time and money on the new building than anyone else. Perhaps it has to, since the new complex is to be part of the centre of a new city designed to replace the old one.

A prominent site in a green field on the edge of a hill was selected, giving the architects a much easier ride than they would have had in redeveloping an old town. The new centre is a masterpiece of order out of chaos. It is a masterpiece of order out of chaos.

What is apparent in central Milton Keynes is the central idea of the new city. It is a masterpiece of order out of chaos. It is a masterpiece of order out of chaos.

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One of a pair of Meissen parrots which fetched £17,000.

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## OBITUARY

## MR JESSE OWENS

Memorable performance at  
Berlin Olympics

Jesse Owens, the great black American sprinter who won four gold medals at the Olympic Games in Berlin in 1936, died yesterday in Tucson, Arizona. He was 66 and had been ill for some time. Not only did Owens win four medals in athletics events in Berlin, an individual medal haul that was a record at the time, but his performance will be remembered as being particularly gallant to Hitler who had intended the games as a showpiece for Nazi Germany and as a propaganda exercise for his repugnant philosophy of Aryan supremacy.

Jesse Owens was born in Alabama on September 12, 1913, one of 11 children of a poor share cropper. Later when disaster struck local cotton crops his family was forced to move north to Cleveland, Ohio. At school he became a shoe-shine boy in his spare time and his ambitions might well have been circumscribed by the aim of having a shoe shop of his own when he grew up, if he had not attracted the attention of a sports school coach named Charles Riley who persuaded him to take training seriously.

This move soon bore fruit when in 1933 he equaled the world record of 9.4 seconds for the 100 yards at an inter-school athletics meeting in Chicago. Owens attended Ohio State University and broke his first world record in 1935 when, while representing the university, he ran the 220 yards low hurdles in 22.9 seconds.

In the following week at the college championships in Ann Arbor, Michigan, he performed the astonishing feat that first signalled his immense potential to the athletics world when he broke five world records and equalled a sixth. He opened the meeting with a time of 9.4



seconds for the 100 yards which equalled the world record. In the second event he broke the long jump record with a jump of over 26 feet. Next to fall was the 220 yard mark (and with it the 200 metre record) and he went on to break his own 220 yards low hurdles record, rounding off the meeting by breaking the 220 yards high hurdles.

These performances assured him a place in the United States Olympic team of 1936 where he won gold medals in the 100 metres, 200 metres, long jump and the 4 x 100 metres relay. This success enraged Hitler who snubbed Owens by refusing to shake hands with him. Owens nevertheless won no grudge and was delighted to be invited to the Munich Olympics of 1972.

After retiring from the track he had a variety of jobs in what was at first a somewhat chequered career, but eventually he settled down to operate a public relations firm in Chicago where he lived.

## PROFESSOR ALUN DAVIES

Professor Alun Davies, Professor of Modern History at the University College of Swansea, died in hospital in London on March 20. A leading specialist in French eighteenth century history, he was recognized both in France and in this country, on a number of occasions, as a peasant of Lower Normandy. Georges Lefebvre claiming him on many occasions as his only disciple; a claim that was amply returned by Davies's lifelong admiration and affection for the French historian.

On the peasant of the Campagne de Caen, though long since completed, has remained unpublished; but his expertise and sensitivity as a historian of the peasantry were amply proved by a series of articles published by scholars and students in the *Journal of Peasant Studies* in England and in France. He himself liked to claim, playfully, that as a Welsh peasant, he was better equipped than most to understand the peasants of Lower Normandy.

Alun Davies was born in Llandysul on October 30, 1916, the son of the Revd Ben Davies, a congregational minister. He was educated at Llandell Grammar School and the University College of Wales, Aberystwyth, where, in 1938, he obtained a First Class in Modern History. He worked on research in Caen and in Paris from 1938 to 1940, the events of June, 1940 finding him still absorbed in the papers of the Archives Nationales. He was a dramatic escapee from Paris just ahead of the German invaders, reaching a port in Normandy and taking a collier from there to Weymouth.

For the next six years he served in HM Forces, being commissioned in 1942 into the Corps of Signals. After leaving (Japanese), he was posted to the Far East, engaged in interrogating Japanese prisoners-of-war. The conditions endured by the British prisoners in the Japanese hands left on him an impression of horror that lasted the rest of his life.

On his demobilization, he was appointed Lecturer in Modern History at Aberystwyth, moving to the London School of Economics, as Reader in the country.

He was also a man of great integrity and courage: in 1956, when faced with what he regarded as an academic injustice, he refused to accept a promotion, a number of the Communist Party, from an important London seminar, he protested with determination in the quarter responsible. His courage was best illustrated by his refusal to accept a promotion, a number of the Communist Party, from an important London seminar, he protested with determination in the quarter responsible.

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## SPORT

## Racing

## Raconteur starts a new chapter for Hobbs

By Michael Seely  
Yet another of our leading stable hands got the mark for the season at Nottingham yesterday when Bruce Hobbs saddled Raconteur to win the first division of the Manna Maiden Stakes. Geoff Baxter sent the three-year-old into the lead approaching the final furlong. Lester Piggett then launched a powerful attack on Mister Lucky, but in a driving finish Raconteur held on to win by a head. The winner drifted from 2-1 to 5-1 in the market due to a gamble on Jack Hardy's Spring Surprise, who was never seen with a chance at any stage of the race.

Raconteur is owned by Lady Bux and was bought for 9,000 guineas at the Houghton Sales. The Buxs always sell the colts which are foaled at their Brook Stud and keep only the fillies to race. Hobbs confirmed that his classic horse, Tynevald and Velle, are in great heart and that the Craven Stakes and the Nell Gwyn Stakes remain their preliminary races before the 2,000 and 1,000 Guineas, respectively.

Peter Walwyn, with two winners from four runners so far this season, was hopeful of landing the second division of this race with Hill's Northern. Pat Eddery moved the 11-4 favourite into a challenging position two furlongs from home but swerved badly to the right leaving Bond Dealer clear to win by six lengths. Bond Dealer gave the new trainer-jockey partnership of Brian Swift and Taffy Thomas their second victory of the season.

Lester Piggett was seen at his best when winning the Sunstar Stakes at Telford. Abode, who was backed down from 8-1 to favourite at 7-2. Bred by the Quorn's former jockey, Harry Carr, Taffy Thomas at Beverley. The market last autumn. Syncope was by 10 lengths at Stockton last Friday and looks certain to do a good chance of winning the 2,000 Guineas.

At Nottingham today Edward Hyde and Skewsey look to have a good chance of winning the 2,000 Guineas. Skewsey won for Mick Easterby and has also enjoyed a successful winter campaign over hurdles. New Top and Pata Morgana appear to be the most dangerous of the four-year-old opponents.

## Rugby Union

## Some options closed for under-23 selectors

By Peter West

Rugby Correspondent  
Nigel Pomphrey, a Bristol and England forward, will captain England under-23 against English Students at West Hartpool tomorrow (6.30 pm). It looks a nicely-balanced side but it would be stronger for the presence of several players on whom the Students by tacit arrangement are given first option. These include Tony Swift, the Swans wing, How Davies, the Coventry stand-off half, and Paul Ackford, the Rosslyn Park lock, all of whom have played for England A, and the Bristol flanker, Peter Polledri, who captained the under-23 side on their three-match tour of France and Italy last May.



Nigel Pomphrey leads England under-23 against Stuart

## Folkestone programme

1.45 HEADCORN STAKES (2-y-o: 2892: 5f)	
1. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
2. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
3. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
4. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
5. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
6. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
7. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
8. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
9. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
10. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
11. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
12. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
13. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
14. Little Star (J. J. Donoghue, 8-1)	M. J. Thomas 23
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## Nottingham programme

2.0 OLD TRAFFORD STAKES (2-y-o maiden fillies: 1937: 5f)	
1. Abode (J. J. Donoghue, 8-1)	M. J. Thomas 23
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99. Abode (J. J. Donoghue, 8-1)	M. J. Thomas 23
100. Abode (J. J. Donoghue, 8-1)	M. J. Thomas 23

## Lochranza leads from the start to finish

Lochranza chalked up the 25th win of his career and the 11th at Ayr when overwhelming odds on Path of ebb by seven lengths yesterday.

Leading throughout, Lochranza was strongly challenged by Path of Peace three furlongs from home but soon shrugged off his rival to go on to score impressively, giving Joe Carr, the successful trainer, a tremendous filly.

Lochranza entered the winning enclosure, Bill McHardy, the general manager and secretary of the course, said: "What a wonderful horse he is. Lochranza has already had a race named after him here but now we will have to think about naming another race after him."

Lochranza's success over the mile and a half was a surprise to many, but the partnership showed with a clear advantage over a farling out.

Podola, who came in the market from 5-1 to 10-1, sprang a surprise in the Auchan Stakes when beating Long Love by three-quarters of a length. American-born Podola, who has won 10 races, was a surprise in the Auchan Stakes when beating Long Love by three-quarters of a length. American-born Podola, who has won 10 races, was a surprise in the Auchan Stakes when beating Long Love by three-quarters of a length.

## Interest rekindled in Twickenham plan

The success of the England rugby team is paying concrete dividends.

A clean sweep of the international championship has rekindled interest in the Rugby Football Union's scheme to raise money for rebuilding Twickenham's south terrace.

England's revival has created a lot of interest and the outlook appears much brighter. The RFU treasurer, Barry Boyden, said:

## Hignell out of town

Alistair Hignell, Bristol under-23 full back, has won from the Barbarians Easter Wales and will not play at season.

Hignell, 24, injured a playing in a match for Bristol College, Bristol, and decided against playing a further match for the University who at one time this season was first reserve senior England XV.

## Golf

## Mahaffey lets lead slip

Hilton Head Island (S Carolina), March 31.—John Mahaffey and Doug Tewell were tied for the lead after three rounds of the rain-delayed Heritage classic here.

John Mahaffey, who has won 10 times, was a surprise in the Auchan Stakes when beating Long Love by three-quarters of a length. American-born Podola, who has won 10 races, was a surprise in the Auchan Stakes when beating Long Love by three-quarters of a length.

## Lopez ends his bleak sequence

Costa Mesa, March 31.—Lopez, the dominating figure in the women's professional golf circuit for the last two years, finally ended his first victory of the year.

The 23-year-old American won a two-under-par 69 in the round to beat competitors J. Washburn and Debbie Ma...

## Folkestone selections

By Michael Seely  
1.45 Swan Princess, 2.15 Remainder Imp, 2.45 Cornish Scot, 3.15 Al Kuwait, 3.45 Years Ahead, 4.15 Queen's Music.

## Nottingham selections

By Michael Seely  
2.0 Miss Quail, 2.30 Black Pirate, 3.0 Willowbrook Flyer is specially recommended, 3.30 Cornhill, 4.0 Skewsey, 4.30 Norfolk Flight.

## Hereford NH programme

2.0 HAY HURDLE (Div 1: novices: 5549: 2m)	
1. Field Game (J. J. Donoghue, 8-1)	M. J. Thomas 23
2. Field Game (J. J. Donoghue, 8-1)	M. J. Thomas 23
3. Field Game (J. J. Donoghue, 8-1)	M. J. Thomas 23
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30. Field Game (J. J. Donoghue, 8-1)	M. J. Thomas 23
31. Field Game (J. J. Donoghue, 8-1)	M. J. Thomas 23
32. Field Game (J. J. Donoghue, 8-1)	M. J



## Atlantic struggle to restrain forces of protectionism

## Fairer trade is the world's aim

The opening weeks of the 1980s have been full of ominous rumblings on the international trade front. With the world's economic prospects looking decidedly grim in the wake of last year's massive increase in oil prices, the forces of protectionism have been gathering in strength.

On both sides of the Atlantic, in the two great trading areas of the United States and the European Community, industrial lobbies have been stepping up their campaigns to restrict allegedly unfair competition from outside.

The campaign of the American steel producers against European imports, the decision by the European Commission to keep low-cost American chemical fibres out of the British market and the seemingly daily appearance at the Commission headquarters in Brussels of delegations complaining that jobs are being lost because of imports of foreign-made goods—be it men's clothing from Romania or nitrogenous fertilisers from the United States—look like the initial skirmishes in a trade war.

Officials have been flying across the Atlantic to try to pour oil on the troubled waters. Mr Roy Jenkins, the Commission President, has raised the issue with President Carter. Viscount Etienne Davignon, the Industry Commissioner, has pleaded the case of Europe's steelmakers in Washington and in turn, Mr Rueben Askew, the United States' special trade representative, has toured European capitals to put forward his Administration's view of fair trade.

And it must be hoped that through this activity the important trading areas of the world will avoid taking the protectionist path which turned the 1930s into a decade of economic depression. The West's ability to resist protectionism since the recession of 1975 has been one of the unsung successes of international policy making.

If governments had followed the example of President Nixon in the early 1970s, international trade could have been poisoned by a proliferation of competing quotas and import taxes. Instead, at the beginning of 1980 a new round of tariff cuts and trading codes began to take

effect under the terms of the General Agreement on Tariffs and Trade (GATT), holding out hopes that international trade will become fairer, despite the difficult economic climate that prevails.

Nobody can pretend that the GATT agreement, reached after many years of difficult and unglamorous negotiations in the so-called Tokyo round, is perfect.

Although more than 100 countries were involved in what was billed as the biggest and most ambitious trade negotiation the world has ever known, the final result is to be seen primarily as an agreement arranged between industrial countries. Accordingly, the outcome of the Tokyo round has been sharply criticized by the developing world.

But the sheer fact that the world's most important trading nations were able to reach an agreement that can be interpreted fairly as a serious attempt to restrain the forces of protectionism is of vital importance in itself and must be placed squarely against the apparent rapid growth of protectionist pressures since the approval of

the GATT round towards the end of last year.

It can be argued that the apparent burst of protectionist pressure since the beginning of this year is a perfectly normal testing of the new arrangements. Industries no longer feel constrained by the thought that their protesting too much about the rival's inroads on their markets could endanger the entire negotiation. Moreover, the very nature of the latest GATT agreement and the negotiation that preceded it almost guarantees quarrels and tensions.

The world did not negotiate about free trade, but about fairer trade. Free trade and protectionism are black and white concepts. Fair trade, however, is open to subjective interpretation, and it is this interpretation, when it concerns issues such as an individual's material wellbeing, an industry's viability or a nation's prosperity, is invariably a subject for dispute.

To a certain extent the GATT agreement is an attempt to curb protectionism by an appeal to fairness, the important part of the Tokyo round agreement was

not the decision to cut industrial tariffs by roughly a third, but to tackle the thorny question of non-tariff barriers to trade through various codes of regulation covering issues such as government subsidies, procurement policies, customs valuation and technical barriers to trade.

The problem with international trade and protectionism is that governments and organizations like the European Commission must invariably face two ways.

Everybody can be convinced at a theoretical level about the virtues of international trade and the evils of autarchy. But in today's world no nation could adhere to free trade policies in the way that Britain did in the late nineteenth century, when successive governments stood by and watched cheap food imports force the nation's agricultural sector into its present capital intensive pattern.

The right to work may not be anchored in every European constitution but it is firmly implanted in the consciousness of the people of Europe. When talking about free trade or protectionism, one is normally dis-

cussing whether a marginal bias towards free trade is to be replaced by a marginal bias the other way. These points may appear obvious. But it is worth recalling that protectionist ideas are as firmly planted in our system as are ideas of free competition.

The customs union for industrial goods that now embraces the nine countries of the European Community and the seven members of the European Free Trade Association, has been created alongside the strongly protectionist Common Agricultural Policy. Non-tariff barriers to trade are not just a problem at world level, but are also rife inside the Community itself.

The number of cases of non-tariff barriers being investigated by the Commission has more than quadrupled in recent years while one has only to look at a recent "buy British" campaign, sponsored by the United Kingdom's nationalized motor manufacturer to see how protectionist instincts come to the fore when business conditions deteriorate.

In this respect, perhaps, the most important achievement of

the world economic summits that have been held since 1975 has been to put on record each year the determination of the heads of government of the leading industrial nations to withstand protectionism and so maintain the Western world's marginal bias in favour of free trade. The year-old attempt to limit currency fluctuations in Europe, through the creation of the European Monetary System (EMS), can be regarded as another weapon against protectionist pressure.

Although the construction of the EMS leaves much to be desired—and the system has yet to be seriously tested by the foreign exchange markets—as long as it succeeds in reducing monetary instability, it helps to relieve the pressure of complaints about unfair competition from abroad.

Where specifically protectionist policies are pursued—such as the Durignon plan for the European steel industry—it is emphasized that the measures are temporary and designed to surmount structural problems so that the industry in question can later stand on its own feet.

It is easy to take for granted the interdependence that exists within the industrial world and forget that the Western present prosperity was based on the rapid expansion of world trade in the 25 years that followed the Korean war.

Mr Jenkins, the president of the Commission, put the point of the Western world neatly when he told the European Parliament in February that its economies and societies were rooted in the twin concepts of competition and cooperation.

To turn away from these concepts would be to deny the basis of Western Europe's success and make it difficult to spread prosperity to the developed part of the world.

Withering protection while defending legitimate interests, may well seem unglamorous, lengthy tedious negotiation and a tedious disavowal. But it has shown that in a national trade "jaws" better than "war, war."

When the national agreements were last revised in 1979, the trade unionists strengthened their intervention in the agreements speak a common language, but the private and public aspects of industrial policy are investment and the labour force are no subject of what amounts to negotiation.

This rigidity (in some it is difficult to move even from one sector to another in the same way) has given a wrong impression of industrial policy.

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Sergio De

## Public seeks say in technological decisions

## Governments bow to popular pressure

By refusing to ratify the Bonn Convention on desalination of the Rhine, French MPs upset of their country's European partners and embarrassed their Russian counterparts. France no longer the European's is committing have this technical agreement

under which waste from potash mines was to be buried in Alsace had taken years of negotiations between experts to complete. The negotiators had been congratulating themselves on arriving at an almost perfect solution: no ecological danger, no effect on the salt market, no redundancies, funding shared by four countries so that the cost to each would be moderate.

However, the technocrats had failed to build their fine construction on the consent of the people of Alsace, and it was the latter who demolished it. Their MPs convinced their parliamentary colleagues that the solution reached in Bonn three years ago was not the best available. In so doing they merely reaffirmed somewhat noisily the primacy of the representatives of the people over technocrats, even environmentalists.

This episode bears witness to the growing public intolerance of the so-called imperatives of science and technology. We have indeed left behind us the idyllic days when dazzled populations applauded the fireworks display of progress.

Ordinary people have changed. In Europe and North America at least, they leave school at a much later age and, whatever he said to the contrary, they remember something of what they learn. All the people can no longer be deceived all the time. They have been able to observe, among other details, that every discovery brings its quota of future misfortunes, although these cannot be predicted at the outset. Coal-seams filtered fire-damp, the finest dams eventually yield, the wonderful motor car can be an instrument of death.

As M. Jean-Jacques Salomon observed in a recent issue of *Futuribles* dealing with the

subject of technological risks, profits and losses used to be the key to these matters. Nowadays, however, the general public are much more fastidious in their scrutiny of the accounts presented to them.

Their circumspection is all the more justified in that progress is so skillful in dissimulating its harmful consequences. Radioactivity, for example, from nuclear installations cannot be detected by the human nose. And we now know that it will be our grandchildren who are going to have to foot the bill for genetic meddling and mutations caused by ambient radiation.

People in recent years were already vaguely worried about the accelerated pace of change in habits and habitat. Now they can no longer be certain of survival through their descendants. It is for this kind of reason that they have become so much more demanding over the past 10 years.

The man in the street wants to know what "they" have in store for him, to understand the whys and wherefores of decisions, and even to be involved in decision-making. He is no longer satisfied with nineteenth-century style democracy by delegation.

Even the Swedes are disenchanted because the most advanced democracy in the world has ultimately distanced the ordinary citizen from the decision-making centres in his local community and his company. The political class—even the socialists, and especially them—stands accused of being in league with the technocrats.

No governments have made the running by stimulating the desire for participation, but most—except of course the totalitarian ones—have been obliged to respond to it. A report published by the OECD, *La technologie contestée*, attempts to make an assessment of these efforts.

Although the style is heavy and the content is not compre-

hensive, it is the best survey of the subject available today. It is a mine of often little-known information about what has been done in various countries.

The first barrier that governments have agreed to lower is administrative secrecy—very without reluctance. In the United States, the pioneer in this field, it took 20 years of debate before Congress passed the Freedom of Information Act, and 10 more years before it was put into effect. Sweden, Finland, Denmark, Norway and Austria have in turn passed legislation giving citizens the right of access to official documents.

The French Parliament followed suit in July 1978. Curiously enough this very law to reform passed almost unnoted. Ministerial orders implementing it are proving slow to materialize, and the civil servants and holders of local elective office convey the strong impression that they are doing their best to rebuild the "wall of silence" in France by inventing as many exceptions to the rule as possible.

One of the most important innovations of the past decade, which also originated in the United States, has been the environmental impact studies procedure: this has been adopted in Australia, Canada and France, and is under consideration in Britain and Japan. It obliges all public and private promoters of projects to evaluate the consequences of their planned developments: these diagnoses, together with the remedies proposed, are intended for the public as well as for those who take the final decisions.

In France, for instance, 4,500 of these impact studies are produced every year. They are of mediocre technical quality. The public and the administration are ill-equipped to judge validity and they are often used as a smokescreen, but they nevertheless represent a perfectible

instrument for monitoring the effects of technology.

When, having to deal with major innovations like the conquest of space and civil applications of nuclear energy, some people have been tempted to go further by organizing vast information campaigns of their own. Probably the most remarkable example was the programme started by NASA in 1960 to persuade the American people that space technology would be enormously beneficial in terms of useful spin-off.

The good news was relayed by the ton-ton of the world's media. Today, people are disillusioned to observe that their day-to-day existence has not changed, but that the sky is cluttered with spy satellites which hide no good. In fact all the publicity was a cover-up for the military colonization of space.

Of much greater interest—and usefulness—are the steps taken in Sweden, West Germany, Austria, The Netherlands, Denmark and Canada to promote intensive debate on the pros and cons of new technologies. In all cases it has been the government which has taken the initiative and provided the finance.

The Swedish Government organized its campaign through a century-old institution, the *Futuristiska studier*, a people's study circles, these being independent associations which the public were invited to join and which were liberally provided with documentation and funds. Meetings and public hearings were held over a two-year period before the Parliament adopted a nuclear programme, which is still only provisional.

In West Germany it was the Ministry of Science and Technology which set up the *Bürgerdialog* (dialogue with the citizen) programme, publishing a million copies of technical brochures and organizing about 40 seminars and public debates in which the minister himself, Herr Hans Matthöfer, took part.

The political parties, trade unions and churches were encouraged to organize their own information meetings. From 1973 to 1978 the Federal Government spent the equivalent of £2m on information public opinion. When a proposal was put forward for the establishment of a nuclear fuel reprocessing plant at Gorleben, a working party of international experts was established to advise, and found the site unsuitable. The *Länder* of Niedersachsen accepted their advice.

In Austria public debates were held on television for two years before a referendum was held. The Danish Government's approach was to set up an energy information committee on which it was not represented, and allow it a substantial budget (equivalent to £180,000) with which to organize meetings, provide assistance for relevant associations and publish basic literature.

In Canada a nuclear information committee was established in 1978 with a budget of Can\$200,000. However, a nationalized electricity company, Ontario Hydro, has already given a lead by promoting the setting-up of citizens' committees to advise it on the choice of sites for power stations and high-voltage lines.

In the Netherlands the great debate has just started and it will continue until 1981, when the Parliament will vote for or against a nuclear programme.

It will be clear from these examples how far behind France is in the nuclear debate. The OECD report, which can be taken as unbiased, notes that France is the only member state which has no overall legislation on atomic energy. All the big decisions have been taken by the administrative authorities. The Parliament has never voted on the nuclear issue.

As for the electro-nuclear information council set up on the initiative of the President of the Republic, its founders are saying nothing. But it is known for what it is, namely a diversionary device which should rebound in the discredit of its organizer and those responsible for its administration.

## Increasing power of Italian trade unions

## Ideology changes at top

What has changed in the relationship between trade unions and employers in Italy over the past 10 years? The most obvious aspect is the great increase in power of the three central confederations: the Social-Communist CGIL, the CISL—which has a strong, but not prevalent, Christian Democratic flavour—and the UIL, in which socialists, social democrats and republicans all live together.

Trade unionists are today present in all establishment headquarters, and in all public bodies; because they are in the majority they control the INPS (the pensions institution that administers millions of millions of lire a year); they are represented on the Inter-ministerial Prices Committee, and on the commissions which regulate the country's economic policy, and on the boards of the universities.

Men of the CGIL, the CISL and UIL also sit on the boards of management of La Scala theatre in Milan, and the Venice Biennale. Trade union leaders (who are obliged, because of the terrorist threat, to travel in bullet-proof cars) deal direct with the Government, and on at least two occasions in recent years general strikes proclaimed by the trade unions have accelerated the fall of governments already in danger.

The increased power of the unions in the establishment has been accompanied by a loss of influence on their membership at local level and a decline in their credibility in the eyes of the public, which considers them in part responsible for Italy's economic difficulties. Against this, the trade unions have a virtue it would be ungenerous to ignore: in these years of spreading terrorism they have provided an element of democratic stability in contrast to the erratic behaviour of the parties.

But, results apart, there is no doubt that in recent years there has been an ideological change in the Italian trade union movement. However (and this is one of the aspects that employers particularly emphasize) this change is not filtering very easily down to local level and is creating diffi-

culties in relationships between the confederations and the recent trades, and between leaders in the different confederations. Two-way communication exists at top level between trade unions and industrialists, but in the relationship at middle level.

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Sergio De



An inquiry into a proposed nuclear power station to be installed by the French Electricity Board near Plogoff, Brittany, provoked this demonstration.

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## CONFUSION AND GOOD INTENTIONS

It is a tragedy that President Carter's foreign policy has been so vitiated by chaotic implementation. He started out with sound ideas and has continued to pursue intentions that are fundamentally good. He wanted, for instance, to restore moral credibility to American policy, to agree with the Russians on deep cuts in nuclear weaponry, to improve relations with the third world, and to settle the Middle East disputes on terms that were fair to all. He even talked sensibly about consulting his European allies. Nobody could fault him on any of this. But at every stage he has either failed to think through the implications of his policies or failed to control the machinery for putting them into effect. As a result there has been a steady waning of confidence among his allies and his own people.

In recent months, under the pressure of crisis, the list of muddles seems to have lengthened. There was the fiasco of the "mistaken" vote on the Middle East in the United Nations. Now there has been another bit of bad planning, or failure to coordinate, which seems to have caused King Hussein to refuse a trip to Washington because it would have been too close to the visits of President Sadat and Mr. Begin. This follows the wider failure that has dogged the President's reaction to the invasion of Afghanistan. Here again his intention was good enough—to rally the West behind a series of measures designed to raise as high as possible the cost to the Russians. But even granting that the Europeans themselves could have behaved better, the fact re-

mains that Mr. Carter bungled his consultations and rushed into announcements such as the boycott of the Olympics without preparing the ground.

The same pattern has been mournfully repeated in the response to the seizure of the hostages in Teheran. The decision to remain cool and to avoid endangering the lives of the hostages was right. The belated decision, after the invasion of Afghanistan, to press for an amicable solution was also right. As always, implementation has faltered. There have been at least three serious muddles. The first was over the United Nations Commission, which went to Teheran on false assumptions and had to return empty handed. The second was over the Shah's precipitate departure from Panama, which has never been properly explained but which must have been caused by the Shah's lack of trust in whatever plan was being hatched. The third now revolves around the conciliatory communication which President Carter sent to the authorities in Teheran—presumably to the President.

There does not seem to have been a lot wrong with the letter itself except the curious passage in which he seems to be excusing the action of the "students". There is no reason why an American president should not mention the possibility of admitting mistakes. Nor would a hint of the possibility of Congressional hearings on American relations with Iran be wholly out of order. On the whole, the President would be right to recognize that some Iranians feel

a genuine sense of grievance towards America's past policies and that there is a need for reconciliation.

The President's mistakes lie in the circumstances surrounding the letter. In the first place President Carter is on record as saying that he would never apologise. Now he appears to have done so—or to have expressed a readiness to do so. Secondly, the letter was first denied and then admitted, causing quite unnecessary confusion and gave the Iranians an excuse for ignoring it if they want to. Thirdly, it looks suspiciously as if President Carter has made some important concessions without actually getting the hostages out, just as he did when he agreed to the United Nations Commission. Admittedly it is difficult to conduct normal diplomacy with the present divided authorities in Teheran, but it breaks a cardinal rule of diplomatic negotiations to pay in advance of delivery, especially where the capacity of the other side to deliver is in doubt.

Probably no one at present can suggest a sure way of getting the hostages out and putting American relations with Teheran on a sound footing. There is a lot of sympathy for Mr. Carter in his dilemma, and this is reflected in the letters which his allies have now written to Teheran. But his inability to bring a sense of coherent control into his foreign policy is now causing serious concern in Europe. If it continues the loss of confidence will reach dangerous levels.

## PRODUCTIVITY REMAINS THE ISSUE

Ad hoc inquiries into industrial disputes are apt to deliberate profoundly and then hit on a solution which just happens to be midway between the offer and the claim. The parties to a dispute correspondingly tend to resist submitting their fortunes to the umpires until weariness has brought them both to the point where they are ready to settle for half a loaf. Weariness is certainly a factor in the steel dispute after 13 weeks: weariness and knowledge of the worsening damage that the strike is causing to the industry. However, it remains to be seen whether these factors have worked so far on the executives of the main unions involved as to induce them to accept a ruling which is, for once, very far from splitting the difference between the two sides.

Lord Lever's committee has come up with a plan which in essentials resembles the British Steel Corporation's last offer much more closely than it does the claim made by the unions. Yesterday Mr. Bill Sirs, who will be asking his executive to accept the offer, declared that there was only a narrow gap in percentage terms between the plan (worth 17 per cent on his estimate) and the unions' claim of 19 per cent. He contrasted the offer with the two per cent on basic rates that BSC originally proposed and said that the difference justified the struggle of the last three months.

There is no shame in making such an analysis to assure the more determined combatants on his executive that honour has been satisfied. If consolations of that kind are needed, honour has indeed been satisfied, for few bodies of workers could have fought as long, receiving no strike pay, without the cohesion being shattered. No union leaders could ask more of their followers; certainly they should not. And if invocation of that foolishly provocative first offer of two per cent (plus productivity) helps in the end to resolve a dispute which might have been avoided if it had never been made, there is some justice in that.

But the truth is that the terms now offered are just three-and-a-half per cent better than what the strikers could have had in the first week of the dispute, and just one-and-a-half per cent better than what they were offered seven weeks ago. The essential point at issue ever since the early days of the stoppage has not been percentage but the method of payment for local productivity schemes. The corporation, having had its fingers burnt on earlier occasions, was determined to make no permanent commitment to pay for local bargains until those bargains had actually been made.

The leaders of the unions seem to have been convinced

that the money offered conditionally in this way would, in the last resort, be available without conditions. The tenacity with which they were ready to fight for this shows how necessary such safeguards may be. But the Lever plan firmly endorses the need: part of the increase would be paid only for three months, except where local bargains had been reached before then. It would, of course, be for BSC to ensure that the agreements would in fact pay themselves as they must if the cash limits are to be protected.

It can never be easy for union leaders to accept an offer which falls so far short of their hopes, after so great an effort has been made to reach for more. It ought to weigh heavily with them that their own nominee on the tribunal, Mr. William Keys, laid such emphasis yesterday on the harsh truth that, in BSC's financial predicament, the price of higher pay may be more redundancies. The cost in jobs of the stoppage itself must already be a large one, and it can only be made greater still by holding out. Above all, the executives should be influenced by the voice of their own followers, who have so loyally endured the hardships asked of them, but who earlier this month unmistakably indicated, in the postal ballot, their readiness to consider an offer inferior to the one made yesterday.

## THE DANGERS OF A SPECULATIVE FOLLY

For one moment last Friday it appeared that the American financial system had been pushed onto a precipice. Mr. Nelson Bunker Hunt, an hereditary Texas oil billionaire, and his brothers had failed in their attempt to "corner" the New York silver market. Mr. Hunt needed time to meet his commitments, and he was reportedly having to sell stocks to do so. The sums involved on one call were large—up to \$250m. There was little doubt that Mr. Hunt, backed by his own funds and those of other speculators in the Arab world, would be able to produce the money. But while there was doubt at all, there was danger. The experience of 1929 has not been forgotten, nor is it considered impossible that a similar set of circumstances could occur today and precipitate another financial crisis. The London stock market seemed to come uncomfortably close to such a collapse of investor confidence in 1974.

The antics of people like Mr. Hunt (who is reported as saying "It is a game. I don't have a plan") can so easily be the straw which breaks the camel's back. At a time when there is unity among economists that the Western world is headed for a serious recession, and when as a result

the prices of basic commodities, the raw materials used by the industrial world, are falling in anticipation of reduced demand, these antics are risky to say the least.

Until two or three weeks ago the prices of most commodities, notably gold, had risen dramatically. There were two reasons for this: the onset of high inflation in Western economies and the prospect of a serious conflict arising out of the Soviet invasion into Afghanistan. The realization that the Afghan crisis was unlikely to lead to war and that the apparent determination and the economic policies of the United States administration and others to reduce the rate of inflation must lead to recession, has now dawned.

Speculators like Mr. Hunt have been caught. Some who unlike Mr. Hunt, cannot afford to meet their commitments, have already gone bankrupt. There will be more as the speculative positions taken in the commodity and indeed the money and stock markets are unwound. This is the unavoidable transitional period between boom and recession; a time when the financial system is on the high wire; a time when irresponsible greed by a few can cause enormous damage.

Fortunately many of the lessons of 1929 have been learned. Then such greed turned euphoric bull markets into undignified collapse within days and seriously damaged the United States financial structure. Controls in the market place over the market place are now much more sophisticated; the United States banking system is so organized as to effectively prevent the domino reaction which occurred at the time of the Great Crash. But financiers are sophisticated and occasionally corrupt people. A bolt from the blue, such as that which struck the British banking and property businesses in 1974/75, is possible even in apparently well-regulated systems. The authorities who have charge over the markets and those who operate within them must be on their guard when the situation is as potentially unstable as it is now. Meanwhile, Mr. Hunt and others like him should remember that while great wealth confers great power, such power has to be exercised with responsibility if it is not to be lost. To date the losses he has incurred—the syndicate is perhaps \$4,000m below the year's high—are a well deserved penalty for his speculation.

## Paying to go to school

From the Sheriff of Oxford  
Sir, I was very glad to see that your Education Correspondent has pointed out (March 19) that so far from the defeat of clause 23 of the Education Bill helping Roman Catholics parents to pay positively to do them a disservice. The dropping of the clause will make local authorities look carefully at their non-statutory school transport costs in order to produce the savings which they would otherwise have made. The chief of these is the discretionary free transport given to Roman Catholic children living up to 10 miles from the nearest Roman Catholic school. If the children live more than 10

miles away they pay the economic cost for the additional miles. Oxfordshire has already passed a proposal to axe this concession, though a huge protest campaign was mounted by the Roman Catholic community. Some of us, though not Roman Catholics ourselves, tried to reach a compromise solution by suggesting that only half the economic cost should be levied. This was, however, heavily defeated, and the new arrangements are due to start in 1981, though the present arrangements will be exempted. I am sure that other councils will now be tempted to follow suit.

Meanwhile an anomaly in the 1944 Education Act arrangements would appear to be going to continue unchecked. This is that while

children of any denomination living under three miles (or two miles if under eight) from the nearest school travel at their own expense, children living a few yards further away travel absolutely free. A much fairer compromise, now that the idea of travel at economic cost has been abandoned, would be to charge all children for the first three miles. This would mean that children going to denominational schools would pay a modicum which would make authorities hesitate to axe their concessionary travel altogether.

Yours faithfully,  
JANEI TODD,  
Town Hall,  
Oxford.  
March 19.

## Arson campaign in Wales

From Mr D. G. Macintyre  
Sir, It may seem presumptuous for anyone in Northern Ireland to comment on the affairs of other parts of the United Kingdom, but I read with dismay the suggestion of Miss Jan Morris (March 28) that the only way to arouse British interest in Welsh affairs is by breaking the law. History does offer some lessons. If the "respectable elders" of today's young arsonists "secretly, and perhaps evenously, sympathize with them", they should be aware that it is a long and horrifying road down which they are starting. We know.

Yours faithfully,  
GORDON MACINTYRE,  
10 Carranagh Road,  
Billsborough,  
Co. Down, Northern Ireland.

From the President of Plaid Cymru  
Sir, May I draw attention to the Government's betrayal of Wales in the matter of a Welsh-language television service. In March 1977 the Government's Arannan Committee on Broadcasting was published. It stated: "We recommend that the proposals of the Sibery Working Party should be implemented as soon as the Government can find the necessary finance."

The provision of the fourth channel in Wales should certainly precede the use of the channel in the rest of the UK. The Sibery Committee, which has examined the capital and operational costs of the undertaking in its report published in November 1975, stated: "BBC Wales and HTV Wales, each contributing 12½ hours to the initial target of 25 hours a week in Welsh, would aim to ensure the quality and balance of their broadcasts in Welsh."

This had followed the report of the Crawford Committee published in November 1974, which recommended that whatever decision was reached about the use of the Fourth Channel in the rest of the United Kingdom, it should in Wales be allocated as soon as possible to a separate service in which Welsh-language programmes should be given priority. The cost would represent an investment in domestic, cultural and social harmony in the United Kingdom.

During these years, hundreds were being imprisoned as a result of activities on behalf of a television service in Welsh. This was why a national conference which was called by the Lord Mayor of Cardiff in 1974 pressed for special

consideration for Wales on the Fourth Channel and why the Archbishop of Wales had called a meeting in Cardiff in 1972 to discuss the issue. In 1971 the Court of the University of Wales had set up a committee to examine the question: Its recommendations, which were similar to those of the Crawford, Sibery and Arannan reports, were unanimously approved by both the Council and the Court of the University, and later with equal unanimity by the Government's Council for the Welsh language. The Welsh language, as governments know, is being injured more gravely with each week that passes by the deluge of English television programmes which flood Welsh homes.

At last, in April 1979, Parliament passed a measure enabling the BBC and HTV to proceed with the necessary engineering work in Wales.

The Conservative Party included a reference to a similar policy in its last election manifesto, and the Government included it in the Queen's Speech. Then at Cambridge in the late summer Mr. William Whitelaw announced that the policy on which the Welsh speaking and non-Welsh speaking were in almost complete agreement was to be scrapped. The present Broadcasting Bill makes no provision at all for a television service in the Welsh language for 25 hours a week at peak viewing times. Financed mainly by the Government and under Welsh control—that is, similar to the Icelandic television service. Instead there will be a scatter of Welsh language programmes on two minority channels at odd times financed by the BBC and HTV without Government help, giving no chance of building a substantial viewing public.

Because of this, three of the most distinguished men in Wales are awaiting trial. Like nearly a thousand others I have refused to pay the Government my television licence fee, which was due in January, but have paid the amount instead to Plaid Cymru's Fourth Channel Fund. The authorities have been given notice of the refusal to pay the licence fee but no action has yet been taken against me or others of the thousand. I wonder why.

Yours faithfully,  
GWYNFOR EVANS, President,  
Plaid Cymru,  
Tafarwa,  
Llangadfan,  
Sir Gaerfyrddin.  
March 20.

## Peace in Rhodesia

From Sir Geoffrey de Freitas  
Sir, Kenya became independent in December 1963.

As British High Commissioner I travelled the country meeting British residents and I became well aware that the years of Mau Mau had caused a substantial minority of the British community to believe that it would be impossible for black and whites to work together, and to live in peace under Kenya's black government.

Yet two years after independence, in October 1965, it was possible for 15 prominent Kenyan residents of British descent to issue a Nairobi statement which read in part as follows:

"Most of us have held, or still hold, positions of some responsibility in the public, commercial or agricultural life of the country. We wish to express publicly our feeling of deep shame and dismay at the declared intention of the Rhodesian Government to seize independence in the name of a white minority and in defiance of the British Government's persistent efforts to secure legally enforceable safeguards leading by stages to African majority rule."

Most of us had perfectly sincere and honest opinions about the situation at that time, and when independence was granted to Kenya. Today, however, we must readily admit that a great many of our fears have proved totally unfounded. . . . Racial prejudice is minimal, the rule of law has been preserved, freedom of religion, speech and of the Press has generally been respected. Law and order have been maintained by a first-class police force under African command."

The statement ended:

"It is a pity that more of Rhodesia's leaders do not take the trouble to visit East Africa to learn at first hand what independence under black rule has achieved."

Kenya, both black and white, have set a fine example. After independence Zimbabwe has the opportunity to show the world what a peaceful and harmonious country blacks and whites can work together and live in peace under a black government.

Yours faithfully,  
GEOFFREY DE FREITAS,  
14 Tuford Court,  
Tuford Street, SW1.

## Mr Nelson Mandela

From Mr David Winnick, MP for Walsall, North (Labour), and others  
Sir, It is now 16 years since Nelson Mandela and a number of others in the leadership of the African National Congress in South Africa were sentenced to life imprisonment. During these long years they have been held in a maximum security prison on Robben Island; the restrictions include a ban on newspapers or radios, and during visits to the prison a talk police and of current events is strictly forbidden.

In July this year Mr Mandela will be 62 and he has devoted most of his life to campaigning for the freedom of his people; trained as a lawyer, he joined the African National Congress in 1944. While already in prison and serving five years' imprisonment for inciting strikes and leaving the country without a permit he was the chief architect of the Rivonia trial and sentenced to life imprisonment for sabotage.

Before being sentenced, Nelson Mandela made a speech in court and in which he explained the aims of African nationalism and of his own organization.

In the course of this speech he said the following: "During my

lifetime I have dedicated myself to this struggle of the African people. . . . I have cherished the ideal of a democratic and free society in which all persons live together in harmony. . . . It is an ideal which I hope to live for and to achieve. . . . It needs to be an ideal for which I am prepared to die."

In the course of this year a new African country, Zimbabwe, is about to become independent despite all the efforts of the Rhodesian Front and their allies to prevent the independence of the country.

How much longer will Nelson Mandela and his associates have to languish on Robben Island because they cannot and will never accept the subjugation of their people in South Africa?

Yours etc.  
DAVID WINNICK,  
FRANK ALLAN,  
JOAN EVANS,  
STUART HOLLAND,  
NORMAN BUCHAN,  
JOAN LESTER,  
ALEX LYON,  
ERIC REFFER,  
ROBERT HUGHES,  
IAN MIKARD,  
CLIVE SOLLEY,  
House of Commons,  
March 26.

## New life for London docks

From Dr G. M. Lomas and Mr Rupert Nabarro  
Sir, Amid the controversy over the setting up of an Urban Development Corporation for London's dockland, it appears to us that, notwithstanding the lack of clarity surrounding the proposed powers and approaches that a UDC would adopt, there is a danger of the new body failing to reach the heart of the London problem.

The central dilemma to be resolved is, surely, the role of the Thames and the upper docks in any economic strategy for the revitalisation of East London, and the extent to which in future the river can be linked to the economic development and growth of the communities on each river bank.

A critical difficulty in the evolving docklands strategy has always been the lack of contact between the Port of London Authority and the docklands joint committee. The PLA has had no less than three changes of mind as to which part of the upstream docks should close since publishing "Your Port of London: the challenge of the future" in 1978. Furthermore, the very large sums of money realizable from sales

of their land in East London, and the under-use of capacity at Tilbury, give the PLA the clearest possible motive to concentrate all activity downstream.

These factors have diverted attention from the prospects of operating a commercially viable port in East London. There is some evidence of increasing trade for certain types of cargo, and a wish by a number of shipping lines to retain facilities in the area. There are also firms in the dockland area for whom the continuation of the port is a necessary condition for remaining in the area.

We submit that the upper docks should be vested in an organization independent of the PLA, and that a first major role of any UDC for London should be to explore the economic potential of the river and docks below Tower Bridge, and that the debate on the powers of the London UDC in the Local Government, Planning and Land (No. 1) Bill should be approached in this light.

Yours faithfully,  
GRAHAM LOMAS,  
RUPERT NABARRO,  
London Voluntary Service Council,  
68 Chilton Street, NW1,  
March 21.

## LETTERS TO THE EDITOR

### Role and scope of divorce legislation

From Mr C. H. Wilson  
Sir, I write as one member of a group of Christian lawyers practising in divorce law who are deeply concerned about the administration of the present law, and by many of the proposals for its reform. We shall be making our full submissions to the Law Commission in due course, but in the meantime, we beg your readers to consider some of the very serious issues raised by some of the recent correspondence on this subject.

It seems to be widely accepted now that neither party is to blame for matrimonial breakdown. Dr Allan (March 27) says "If we are to have no-fault divorce on demand, which in practice is now what we virtually have . . .". Mr Bradley (March 27) questions the body can possibly assess responsibility for breakdown and questions what effect this will have on the conduct of proceedings and the divorce process.

We consider that the extinction of the concept of fault in marriage breakdown is in fact a chain of events that are a symptom of breakdown. To agree to a divorce, to agree that in cases it provides a fair description of what actually happens, is a statement that divorce is a necessary and that in some cases party clearly was more to blame than the other for breakdown. Nonetheless, having a no-fault divorce law as we have it, it is not to say unjust, to require a divorcee to maintain a based on a plea of need as an assessment of resources. If accepted no-fault this means that one of the parties must be able to pay for the other and becomes instead a means of placing two pre-independent parties in an artificially self-supporting position.

Mr Bradley seems to be at an attempt to keep the lid on a nest of social problems. He calls for a divorce law which is not a social problem. He says there is little sexual bias in granting of custody. The would like to know what evidence is, and how it was piled; it certainly does not seem to be a social problem. Moreover, the fact that English Courts are "moving in direction" of holding that a less wife's entitlement to maintenance is "exceptional" is a symptom that all is well as Mr B seems to imply, but that the commitment to social legislation the courts divorces take place. Courts still cling to that out concept.

Yours faithfully,  
R. HORNE,  
20 Cornwall Road,  
Old Windsor,  
Berkshire,  
March 28.

### Clegg plan challenged

From Professor G. E. du Boulay  
Sir, Many of the ancillary professions in the health service have a lot to lose if the recommendations of the Clegg Commission (report, March) are followed. . . . The diagnostic radiographers make up the group I now best. Radiologists work with them in close partnership. Their jobs, particularly at the more senior levels where planning of investigations and equipment installation is important, are inadequately summarised in the report.

The Commission seems to attack their remuneration, group individuality and the status of the profession. The report says that for all of which in recent years had begun to improve recruitment. Their financial disadvantage has already been publicized.

Of even greater concern, however, is the method that was used for comparison between these professions and other medicine and other groups in the economy.

### Child benefits

From Mrs Mary Tyler  
Sir, I welcome your leader on Taxation and Family Policy (March 28). May I suggest that child benefits will never be recognized as the personal tax allowance in respect of children until they are uprated in April together with the other personal allowances.

Uprating in November encourages those who continue to regard child benefit as a handout; it also means that families are having to wait an extra half-year for this inadequate increment.

Twenty years ago the tax allowances for children were 71 per cent (under 11) or 89 per cent (11-16) of the single person's tax allowance. Today the value of child benefit to a family on the standard rate of tax is only 42 per cent of the value of the personal allowance for a single person. If the value of child benefit had been appropriately maintained it would not be necessary for the Government to be proposing to extend the range of families who depend on child benefit.

Child benefit has fallen below the level at which it is adequate as a tax allowance or as family support for low-earning families.

Yours sincerely,  
MARY TYLER,  
2 Cornway, NW11,  
March 25.

### Postcard from Everest

From Mr George Piercy  
Sir, I was extremely interested to see the illustrated article on Cape (March 21). Many years ago I came across a postcard postmarked Calcutta 15th Oct. 1924 signed by him and sent to a resident in Bexhill-on-Sea.

The postcard bears an illustration of Everest from the Base Camp in the Rongbuk Valley, Tibet. It bears a printed endorsement "Dispatched by Postal Union to India". A states that the film of the card will be shown throughout the country commencing at the Scala Theatre London, November, 1924.

Yours faithfully,  
GEO. PIERCY,  
Sundale,  
167 Hellesdon Road,  
Norwich,  
March 25.

consequences of many proposals for law reform, inas as they discourage responsibility and accountability, and commit have been fully considered. In the real thrust of reform shown aimed at bolstering the inst of marriage itself.

Yours faithfully,  
C. H. WILSON,  
Vicarage Gate,  
Guildford,  
Surrey,  
March 28.

### From Mr R. Horne

Sir, Apart from unfairly of Mr Powell out of context, correspondent D. C. Bradley (27) appears to have misused the nature of no-fault divorce. The rationale for a no-fault law is, as he alludes to, the actual difficulties of "proving" marital fault. Furthermore, a Law Society points out, a relied upon as evidence of may be out the final chain of events that are a symptom of breakdown. To agree to a divorce, to agree that in cases it provides a fair description of what actually happens, is a statement that divorce is a necessary and that in some cases party clearly was more to blame than the other for breakdown.

Nonetheless, having a no-fault divorce law as we have it, it is not to say unjust, to require a divorcee to maintain a based on a plea of need as an assessment of resources. If accepted no-fault this means that one of the parties must be able to pay for the other and becomes instead a means of placing two pre-independent parties in an artificially self-supporting position.

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Yours faithfully,  
R. HORNE,  
20 Cornwall Road,  
Old Windsor,  
Berkshire,  
March 28.

that were supposed to be available. The consultants' data with which the comparison made, though very large, did not take into account the illness. Responsibility within professions allied to medicine different and cannot be measured by the same standards.

It has been hoped that men would be concerned with the women's plight, perhaps a without the obvious need for sympathy. To equate their condition, therefore, with that of a woman, is a fundamental mistake, discouraging and a bad precedent.

Everyone will be glad that no hours are to be shorter, but that is not an excuse for bias in all the other recommendations. I hope very much that most of us will not be put into effect.

Yours faithfully,  
GEORGE DU BOULAY,  
Professor of Neurology,  
The National Hospital,  
Queen Square, WC1,  
March 27.

### Taking charity seriously

From Mr B. Pointon  
Sir, One distressing feature of five family budgets given by Mr. B. Pointon in his article of March 25 is that none of them has a provision for charity. Written down as "charity" may sound a cold word but it translates into a thousand one causes, ranging from children's homes to struggling theatre groups. It is not only our money but our sympathy that we must find difficult to understand a any conscientious family can afford their expenditure without an account of that need.

I know that some will say that charity is a word which is of spontaneous giving, but in practice point has little substance. The who do not plan to give away minimum sum each year or more will find that their "spontaneous" handouts will be picked up at the end of the day.

Yours faithfully,  
BRUTUS POINTON,  
Blinhor,  
Millbridge Road,  
Minehead,  
Somerset.

### Janus word

From Mr Tom Baistow  
Sir, The normally prudent Phil Howard should not be tempted by "chuffed" (March 25) the "brummed" meaning is the correct one, although it is predominantly current one.

It is not the first word, by means, to have a second meaning, but what struck S. Jack Longland and myself, discussing it here a few years ago, was how quickly its meaning has been completely reversed since the word's original use.

As for the word's military background—during six years in the Army I never heard it used except in the sense of "extremely browned off". For consciousness of class the suffix -upped-officer-come was merely clapped at several fortunate troops were involved. "Dead chuffed" was a phrase used by your correspondent. TOM BAISTOW,  
Saville Club,  
69 Brook Street, SW1.

20/4/1980



## A Times Profile

## The shocking case of the unknown Sherlock Holmes

David Sinclair

exposes the tortured personality of the world's greatest detective



Holmes and Watson during a quiet moment in their Baker Street rooms.

Sherlock Holmes is the doyen of detectives, the sleuth supreme. For 92 years he has towered above all his rivals in ratiocination, thrilling successive generations with his skills. The flatterer's reminiscences of John H. Watson, M.D., have endowed Holmes with the status of a demi-god, worshipped throughout the world for his apparent omniscience, his extraordinary powers of observation and deduction and his boundless energy in the chase.

But new evidence which has only recently come to light shows that there is another side to the Sherlockian legend, an aspect less deserving of adulation and one which Dr. Watson for the most part merely hints at.

Watson does admit that Holmes was eccentric, vain, arrogant and sometimes insufferably rude—but that is only the half of it. The master investigator or was also mentally unstable, callous and vindictive.

These startling revelations are contained in a collection of private papers found recently during reconstruction of a house in Harley Street, London—a house once occupied by Dr. Moore, who became Sherlock Holmes's physician in 1890. The diaries, letters and notebooks have been positively identified as Dr. Agar's, and it appears that they have lain in a metal trunk in the attic of the Harley Street house since the eminent physician's death, at the age of 93, in 1942.

The Agar family are reluctant to publish these documents until the task of collating and editing them is completed, but I have been privileged to examine some of the priceless material concerning the life of Sherlock Holmes and, with the permission of the family, I am able to reproduce extracts here.

The truth about Sherlock Holmes is as elusive as the solutions to so many of the cases he undertook, and part of the reason for this, as the Agar papers make clear, is a deliberate cover-up by Dr. Watson. He told Dr. Agar in a letter that he had altered certain dates and suppressed information "in order," as he put it, "that so great a man as Sherlock Holmes should not be pilloried in the public print."

But let us follow the advice of the King of Hearts, and begin at the beginning.

Sherlock Holmes was born in 1854. Dr. Watson suggests as much in the memoirs of his last Bow, in which Holmes, masquerading as an Irish-American, penetrates a German spy network in 1914, is described as "a tall, gaunt man of sixty."

Dr. Agar's notes confirm the youth of Holmes's life, not the month, though the date, which appears to have been something of an amateur astrologer, comments that "Holmes displays many of the characteristics one normally associates with the sign of Scorpio, a cold, calculating intensity and determination, the cool and unemotional exterior, the occasional outbursts of jealousy or vindictiveness." That would place Holmes's birthday somewhere between October 24 and November 21, 1854.

Dr. Agar adds little to our knowledge of Holmes's early life, merely stating that when the master investigator retired to keep bees in deepest Sussex he was responding to an inquiry from the police, after a life spent chiefly in the great city, and so often in its more unsavoury quarters.

That seems to bear out Holmes's own statement that he came from a line of country squires, but the detective's other claim, that his grandfather was the sister of the French artist Vermeer, Dr. Agar says, "It may have been one of those little fictions so necessary to a man of Holmes's histrionic nature."

Further light is cast upon Holmes's personality when Dr. Agar considers the contradictions that emerge between Watson's description of Holmes as a young man in *A Study in Scarlet* and his later references to his friend's behaviour. Watson had met Holmes in January, February, 1883 and had agreed to share with him the famous rooms at 221b Baker Street.

According to his recollection in *A Study in Scarlet*, he found Holmes "quiet in his ways and his habits were regular. It was rare for him to be up after ten at night, and he had invariably breakfasted in the morning."

As Dr. Agar points out, that summary ill matches some of Watson's later comments, as when he wrote in *The Hound of the Baskervilles* (which took place in 1889) that Holmes was "usually very late in the mornings, save upon those not infrequent occasions when he stayed up all night"; and when in *The Sign of Four* (1888) he complained of Holmes's drug-taking. "Which is it today, I asked, 'morphine or cocaine?' And my friend, glancing at his wrist, introduced to me the Musgrave Rituals."

... when I find a man who keeps his cigars in the coal-scuttle, his tobacco in the toe of a Persian slippers, and his unsavoury transgressions by a jack-knife into the very centre of his wooden mantelpiece, then I begin to give myself virtuous airs. I have always held, too, that pistol practice should be distinctly an open-air pastime; Holmes in one of his queer humours would sit in an armchair, with his hair-trigger and a hundred boxer cartridges, and

proceed to adorn the opposite wall with a snuff V.R. done in bullet-pocks, I felt strongly that neither the atmosphere nor the appearance of our room was improved by it.

Added to which was Holmes's violin-playing, which Watson describes thus: "That he could play pieces, and difficult pieces, I knew well. When left to himself, however, he would seldom produce any music... leaning back in his armchair of an evening, he would close his eyes and scrape carelessly at the fiddle which was thrown across his knees... I might have rebelled against these exasperating solos."

Dr. Agar believes the contrast between such behaviour and the quiet, regular ways Watson noted in the early days is deeply significant. He writes: "Either Holmes had merely been putting on a good show so as not to frighten off his new companion, or the eccentricities of his conduct intensified in proportion to the volume of work he undertook."

"I did not know Holmes in 1883, therefore I cannot judge how anxious he was to impress, but my opinion is (in the light of knowledge of his later character) that the latter diagnosis is the correct one, in that as the mental strains involved in his work increased so the peculiarities of his behaviour became more noticeable."

Here the doctor draws a parallel between Sherlock Holmes and his elder brother Mycroft, whom the former described as "my superior in observation and deduction." Dr. Agar notes: "Mycroft Holmes and all his younger brothers' abilities, and to an even greater degree, but there was one vital difference between the two men: while Sherlock Holmes plumed life to its very depths, Mycroft Holmes remained aloof from it."

"There was about him such an air of detachment as I had never encountered in any other person, nor yet any individual so unapproachably humane. But who would say that he had not chosen a wiser course than his younger brother?"

As appears in Watson's memoirs, Mycroft Holmes took no exercise other than walking from his lodgings in Pall Mall to his office in Whitehall and sought no company other than that dubious variety offered at the Diogenes Club, which is Sherlock Holmes himself put it, was composed of "the most unsocial and unclubbable men in town."

"The elements of, as it were, self-protection, are obvious to me. Mycroft Holmes preserved his remarkable powers by removing himself from the hurly-burly of the world, realizing no doubt that such a delicate organ as his extraordinary brain could not function under the stresses of everyday life without damaging itself, possibly breaking down altogether."

By contrast, the doctor points out, Sherlock Holmes was driven to display his unique gifts in public—a born performer, delighting in an audience, even if it consisted only of poor old Watson, or some Scotland Yard booby. Always had to place himself as if in some drama; ridiculous obsession with disguises, often quite unnecessary; indulging his vanity and causing himself irreparable harm in the process."

But the damage Holmes did was not confined to himself.

"Poor old Watson," as Dr. Agar calls him, was also on the receiving end. Holmes had never treated him very well, he would humiliate his faithful companion by giving him tasks he clearly could not fulfil (often because Holmes kept from him some vital piece of information); and nothing gave Holmes greater pleasure than to provide Watson into some superficial assessment of a case which the detective then proceeded to demolish through his highly developed and carefully nurtured powers and on the basis of evidence only he possessed.

"How Watson endured such treatment for 17 years, as well as Holmes's exasperating behaviour, irritability and downright bad manners, is beyond my comprehension," Dr. Agar writes.

"Of course, the time came when Watson could not endure Holmes's behaviour any longer, but of that more later. We come now to the most sensational episode contained in the Agar papers. It concerns a fellow of Watson's, who according to Holmes was the evil genius of the underworld."

Dr. Agar provides beyond doubt that Moriarty, "the Napoleon of crime," as Holmes called him, never existed. He was a figment of the detective's imagination, distorted by stress and despair and by a burning desire to "punish" Watson for what Holmes saw as his disloyalty.

It was in 1891, Dr. Agar writes, that the first great crisis came. Holmes had for several years been working far harder than the balance of his mind could tolerate. His work, he had lost the support of Watson, who married in 1888 and established himself in a medical practice, though he still aided Holmes on occasion.

"Holmes was bitterly hurt by Watson's marriage—indeed in one of his black moods he said to me that he had never thought to see an old Indian Army man deserting a comrade. This remark was entirely unjustified, but shows the state of Holmes's mind at this period."

He came to see me at my consulting rooms in March 1891 and I was considerably troubled by his manner and appearance. He had lost weight, he was dark, extremely pale, and almost nervous to a high degree.

"I examined him and pronounced him unfit to carry on with his work; it seemed to me that he had reached the limits of his physical and mental endurance; collapse appeared to be imminent. I advised complete rest for an indefinite period, and he left my consulting rooms in high dudgeon."

What happened next was revealed, in part at least, by Watson in *The Final Problem*. Holmes arrived unannounced at Watson's house and after hinting at a desperate attempt on his life persuaded the doctor to accompany him on a European tour. He then "introduced" Watson to the master criminal he called Professor Moriarty: "You have probably never heard of Professor Moriarty. He is the organizer of half that is evil and of nearly all that is undetected in this great city... I was forced to confess that I had at last met an antagonist who was my intellectual equal."

Holmes went on to describe how he had drawn his not round Moriarty and how, with three

days to go before that net could be closed, the professor had visited my consulting room. Sherlock Holmes called on his brother and told him what I had advised. Mycroft assured him to follow my recommendation, and Sherlock said that he would do so, asking his brother to inquire of me where he might take his rest, with medical supervision, away from prying eyes.

"About the middle of April, however, Sherlock returned to see his brother with the story of the evil Professor Moriarty and outlined his plan of escape involving Mycroft. Mycroft was suspicious, knowing of Sherlock's recent feelings towards Watson and fearing that his overwork had turned his brain and made some inquiries of his own which turned up not a trace of this Moriarty."

"None the less he decided to go along with Sherlock's plans, even to the extent of acting as coachman on one stage of Watson's circuitous route to the Victoria Station. 'I felt that it was necessary for Sherlock's peace of mind,' he said to me."

"On the day after the departure of Holmes and Watson for the Continent, Mycroft received a letter from his brother in which he laid out his whole diabolical scheme. He was to trick Watson into thinking he was dead in a final confrontation with Moriarty and mean while to make his way by train from Meiringen to Schloss Guttenfels, where he would remain until he felt well enough to resume his work, at which point he would return to London and astonish Watson with tales of a miraculous escape."

"At this it became clear to me that Sherlock Holmes was a very sick man and I immediately telegraphed to Dr. Bergdorf advising him of his new patient's peculiar mental state and cautioning him that the course of treatment might be lengthy."

Bergdorf, however, had discerned at his first interview with Holmes that there was some deep underlying disturbance in the patient's personality and he assured me that he would give the case his particular attention. Thus it was that Sherlock Holmes came to remain at Schloss Guttenfels for the greater part of three years."

Dr. Agar was sworn to secrecy by Mycroft Holmes and, though his diary makes it clear that he was furious at the way in which the loyal and god-natured Watson had been so cruelly duped, he complied for the sake of his patient.

But Watson was not the complete fool that Holmes apparently took him for. When the great detective suddenly reappeared in London—without unnecessary drama—in the spring of 1894, the good doctor faintly with shock, but soon his incredulity turned to suspicion.

First Holmes told a fantastic story about how Moriarty had died at the Reichenbach Falls while he himself had escaped in spite of the efforts of one of the professor's gang. Then Watson learnt that Mycroft had known all along that his brother was not dead, and finally there was Holmes's cuck-and-bull story about his three missing years:

"I travelled for two years in Tibet, and amused myself by visiting Lhasa and spending some time with the head Lama. I then passed through Persia, looked in at Mecca, and paid a short but interesting

visit to the Khalifa at Khartoum."

Though Watson faithfully related all this poppycock in the story of *The Empty House* (the villain of which, Holmes claimed, was Moriarty's chief lieutenant), he was not taken in. He knew that Holmes could not have visited Khartoum because it had been destroyed in 1885 and, as a man with some knowledge of the East, he was also aware that a European would have stood little chance of gaining entry to Tibet at that time.

With his medical knowledge, he became concerned that all was not as it should be with his friend, so—his wife having died in the winter of 1893—he moved back into 221b Baker Street, then consulted Dr. Agar.

"I felt that the time had come to do justice to Watson's often underrated intelligence," Dr. Agar writes. "I explained to him the circumstances which had led to this bizarre state of affairs, though of course I could not tell him of the part played by Moriarty towards him which had been part of the reason for Holmes's appalling behaviour."

"Watson took it quite well—as a medical man he understood the problem. But things were never entirely the same again between him and Holmes and, though Watson always loyally supported and defended his friend, he became less tolerant of the irascibility and eccentricity which were the permanent scars of Holmes's breakdown."

Things reached such a pass that Watson actually moved out of Baker Street towards the end of 1896, the time of the case *The Veiled Lodger*, in which he tells us that "I received a hurried note from Holmes." But in the spring of 1897 he was obliged to return to 221b because "Holmes's iron constitution showed some symptoms of giving way." It is at this point that he mentions Dr. Agar for the first and only time:

"In March of that year (1897) Dr. Moore Agar, of Harley Street... gave positive injunctions that the famous private agent would lay all his cases and surrender himself to complete rest if he wished to avert an absolute breakdown."

That same year Holmes again began to babble about Professor Moriarty. It was during his investigation into *The Valley of Fear* case, and this time there were distinct elements of paranoia about the discussion, with "the Napoleon of crime."

Watson was worried and contacted Dr. Agar, who "counselled that Holmes should be humoured in all respects concerning his delusion about Moriarty, for the sake of his sanity." Of course, Watson was expected to chronicle the affair, but found difficulty in doing so since the fictitious Moriarty had "died" in 1881.

He decided to overcome this difficulty by pre-dating the case to "the end of the eighties," unfortunately forgetting to alter the historical part of the story to match. Thus, according to Watson's version, the events dated up to *The Victoria Station*. "I felt that it was necessary for Sherlock's peace of mind," he said to me.

"On the day after the departure of Holmes and Watson for the Continent, Mycroft received a letter from his brother in which he laid out his whole diabolical scheme. He was to trick Watson into thinking he was dead in a final confrontation with Moriarty and mean while to make his way by train from Meiringen to Schloss Guttenfels, where he would remain until he felt well enough to resume his work, at which point he would return to London and astonish Watson with tales of a miraculous escape."

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visit to the Khalifa at Khartoum."

## Court of Appeal

## Tenants' rights after death of landlord

Landau v Sloane

Midgalski v Corvin

Before Lord Justice Stephenson, Lord Justice Bridge and Lord Justice Templeman

Judgment delivered March 17

Where a notice to quit has been served on a tenant during a period which falls to be disregarded by virtue of paragraph 1 of Schedule 2 to the Rent Act, 1977, it does not follow that the tenant is entitled to a new tenancy under section 12(1)(c) of the same Act, if the notice was not served on the tenant during the period of the notice.

The Court of Appeal so held when allowing appeals in two cases, the first being heard together.

The first appeal was brought by Mrs Louise Sloane against an order for possession made by Judge Leighton, County Court in favour of the plaintiffs, Fay Lillian Landau and Peter Michael Neumann.

The second appeal was brought by Mrs Midgalski against an order for possession made by Judge Leighton, County Court in favour of the plaintiffs, Mrs Teresa Elzbieta Judwiga Midgalski.

Section 12 of the Rent Act, 1977, provides: "(1) ... a tenancy of a dwelling-house, whether or not it is a protected tenancy, shall not be a protected tenancy at any time if— (a) the dwelling-house forms part of a building which is a block of flats; and (b) the tenancy was granted by a person who, at the time the tenancy was granted, was a resident of the dwelling-house."

Paragraph 1 of Schedule 2 to the Act provides: "(1) ... a notice to quit shall not be treated as having been served on a tenant if it is served on him during a period of not more than 12 months beginning with the day on which the interest of the landlord under the tenancy becomes, and during which it remains, vested— (i) in the personal representatives of a deceased tenant; or (ii) in a person acting in that capacity."

Mr Andrew Arden for Mrs Sloane: Mr Paul Morgan for Mrs Midgalski: Mr John L. Powell for Mrs Midgalski.

LORD JUSTICE TEMPLEMAN said that the two appeals raised the question of whether, in certain circumstances, a non-resident landlord who served a notice to quit on a tenant during a period of not more than 12 months beginning with the day on which the interest of the landlord under the tenancy becomes, and during which it remains, vested— (i) in the personal representatives of a deceased tenant; or (ii) in a person acting in that capacity—was treated as having served a notice to quit on the tenant.

On March 4, 1978, Miss Newman, who resided at another part of the premises, let the premises to Mrs Sloane. She died on August 11, 1978, still in possession of the premises.

On December 17, 1978, the respondent gave notice to quit to Mrs Sloane, who ultimately expired on July 4, 1979. Neither the personal representatives nor any person claiming under them had ever resided in the building before the first anniversary of Miss Newman's death. Mrs Sloane claimed that she had become a statutory tenant on that date. The judge held that she was not protected by the Rent Act and made an order for possession.

Where a resident landlord sold his interest or died there was bound to be some case to be made by the tenant of time before the vendor or the deceased landlord could be replaced by a new resident landlord, and paragraph 1 of Schedule 2 to the Rent Act, 1977, was to provide for those eventualities. The year had expired and at the end of the year the tenant had become a statutory tenant under the Rent Act, and the tenant claimed that a notice to quit had been given to her as a statutory tenant.

It seemed clear that paragraph 1 of Schedule 2 was intended to allow a purchaser six months and a personal representative 12 months to replace a resident landlord, and at the end of the period the tenant would be protected by the Rent Act unless there was then a resident landlord.

Paragraph 3 of Schedule 2 provided that during any disregard period "... no order shall be made for possession of the dwelling-house, whether or not a tenancy, other than an order which might be made if that tenancy were ... a regulated tenancy." Thus the landlord was held up during the disregard period. The tenant was not against everyone except a tenant who could not afford to pay the rent, and the tenant was not against everyone except a tenant who could not afford to pay the rent, and the tenant was not against everyone except a tenant who could not afford to pay the rent.

On behalf of the landlord was urged that if a non-resident landlord served a notice to quit on a tenant during a period of not more than 12 months beginning with the day on which the interest of the landlord under the tenancy becomes, and during which it remains, vested— (i) in the personal representatives of a deceased tenant; or (ii) in a person acting in that capacity—then the tenant was not entitled to a new tenancy under section 12(1)(c) of the Act, if the notice was not served on the tenant during the period of the notice.

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On December 17, 1978, the respondent gave notice to quit to Mrs Sloane, who ultimately expired on July 4, 1979. Neither the personal representatives nor any person claiming under them had ever resided in the building before the first anniversary of Miss Newman's death. Mrs Sloane claimed that she had become a statutory tenant on that date. The judge held that she was not protected by the Rent Act and made an order for possession.

Where a resident landlord sold his interest or died there was bound to be some case to be made by the tenant of time before the vendor or the deceased landlord could be replaced by a new resident landlord, and paragraph 1 of Schedule 2 to the Rent Act, 1977, was to provide for those eventualities. The year had expired and at the end of the year the tenant had become a statutory tenant under the Rent Act, and the tenant claimed that a notice to quit had been given to her as a statutory tenant.

It seemed clear that paragraph 1 of Schedule 2 was intended to allow a purchaser six months and a personal representative 12 months to replace a resident landlord, and at the end of the period the tenant would be protected by the Rent Act unless there was then a resident landlord.

Paragraph 3 of Schedule 2 provided that during any disregard period "... no order shall be made for possession of the dwelling-house, whether or not a tenancy, other than an order which might be made if that tenancy were ... a regulated tenancy." Thus the landlord was held up during the disregard period. The tenant was not against everyone except a tenant who could not afford to pay the rent, and the tenant was not against everyone except a tenant who could not afford to pay the rent, and the tenant was not against everyone except a tenant who could not afford to pay the rent.

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## Trade gap narrows

The Soviet Union and Eastern European deficit on trade with the West fell to an estimated \$6,000m (£2,777m) last year compared with \$8,000m (£3,704m) in 1978, according to the United Nations Economic Commission for Europe's annual survey.

The Soviet Union accounted for all the improvement although its total debt by the end of last year is expected to have risen to \$57,000m (£26,388m).

While foreign trade growth targets have been maintained at or slightly above 1979 levels in East Germany, Hungary and Poland, a marked reduction was expected elsewhere, particularly in the Soviet Union.

**Less Kuwait crude**  
Royal Dutch/Shell and Gulf Oil are to sign contracts this week with Kuwait for much lower supplies of crude oil.

**Algeria cuts oil output**  
Algeria's state oil company is to cut production for technical reasons by 2 or 3 per cent this year from an output of 57 million tonnes in the past two years.

**Brazil strike**  
Nearly 45,000 Brazilian metalworkers, many of them employed by Ford, General Motors, Volkswagen, Mercedes-Benz and Saab-Scania, have voted to strike for higher wages.

**Turkey credit talks**  
A delegation from the International Monetary Fund will begin talks in Ankara on April 10 on a projected new three year standby credit agreement for Turkey.

**French lending curbs**  
The French Government has announced new measures to bank lending further in an attempt to limit the growth of the money supply to 11 per cent this year.

**Jamaican credit**  
Jamaica has started negotiations with its main commercial creditors for a five-year deferment of \$186m (£86m) in loans due for repayment by 1985.

## International Cocoa Agreement expires after disarray on support terms Cocoa prices go in the melting pot

At midnight last night the International Cocoa Agreement, which has run for five years, was due to expire because the producers and consumers have failed to agree on a new minimum intervention price for buffer stock operations and on a proposal to extend the existing agreement until a compromise could be reached.

From today the agreement is effectively dead and it remains only to wind up the operations of the International Cocoa Organization (ICCO). This includes disposing of the \$220m (£100m) buffer stock fund which has accumulated over levies on the cocoa producers.

Mr Jurgen Plambeck, the buffer stock manager, has said that the fund will be redistributed among the producers in proportion to their contributions, Ghana about 28 per cent, Brazil and the Ivory Coast 21 per cent each, Nigeria 18 per cent and Cameroon 9 per cent.

The hope is that about 40 per cent of the fund might be disbursed by June, with the rest being redistributed by March 1981 but it will be a difficult and complicated process. Of immediate concern is what will happen to cocoa prices.

The overriding opinion in the trade is that although there will be much nervousness, with consequent fluctuations in the

price, there will be overall stability while the organization is dismantled.

Obviously, the first job for the producers is to agree medium- and long-term strategies for marketing; the Cocoa Producers' Alliance will no doubt meet as soon as possible.

One possible proposal on the agenda is to form a fund to support cocoa prices, on the lines of the "Bogota fund" which leading coffee producers have been establishing.

A long session of ICCO's executive council ended on Saturday without deciding on a new minimum intervention price for buffer stock operations.

The producers wanted the consumers to agree to a new minimum price of 120 cents a pound before any talks on a new Geneva agreement. The consumers wanted the present pact to be extended on the basis of a negotiable minimum intervention price of between 110 cents and 120 cents.

Another proposal from Brazil was to extend the present pact without its economic clauses. This would have meant liquidation of the buffer stock and the proposal did not gain the necessary two-thirds agreement of the council.

It is understood that Ghana, a large producer, was more willing than others to

compromise with the consumers on the ground that a strong alliance among producers was complementary to cooperation with the consumers rather than an alternative.

Delegates of both sides generally agreed that the collapse of the agreements could have serious consequences for other commodity agreements.

But Mr Kwesti Hackman, executive director of ICCO, remains convinced that the collapse of the talks does not mark the end of cooperation between producers and consumers.

He said: "Cocoa is a commodity which by its very nature necessitates cooperation between producers and consumers. Their interests are not competitive but complementary because cocoa is produced by countries which do not consume it, and consumed by countries which cannot produce it."

There is talk among some delegates that after the collapse there might be approaches by governments to the secretary-general of Unctad for a start to the work for a new cocoa pact. Other delegates believe that the organization might yet be saved, but without the buffer stock.

Wallace Jackson

## Urgent moves to speed safety certificates

By Derek Harris

Commercial Editor

Emergency plans to reduce the worst delays in issuing safety approval certificates for equipment made by British companies are being considered by the Government as a result of problems facing the British Approvals Service for Electrical Equipment in Flammable Atmospheres.

A interim report from a study group set up by the Department of Employment after complaints particularly from the British Electrical and Allied Manufacturers' Association has been put together in only two months because of the seriousness of delays sometimes of up to three years for certification at the approvals service's headquarters at Buxton, Derbyshire.

As a temporary measure the group is believed to have suggested that some of the private testing facilities in Britain should be used to back up the work at Buxton. At least one or two of these are likely to measure up to the high standards of work demanded in certification.

A company cannot sell goods either in Britain or abroad until it gets a certificate and although a company can go abroad for certification there are difficulties in doing this. One is that British certification is highly prized in industry because of the British Approvals Service's acknowledged standards of excellence and the other is that some

equipment is so cumbersome that getting it abroad for certification can be difficult and costly.

British demand for certificates—covering many products from flameproof motors to underwater television cameras—has been estimated at about 900 requests a year but the approvals service's capacity has been around 500.

The study group has been investigating the current situation but earlier indications were that last October there were 760 applications awaiting approval, some outstanding from several previous years. Still not dealt with at that time were 46 per cent of 1978 applications and 23 per cent of 1977 applications.

A few days back even further, although the approvals service has been able to deal with some applications within six months of submission.

One issue the study group is investigating is whether the service's capacity to process applications should be increased. It is staffed by civil servants and administered by the Government's Health and Safety Executive.

Increasing the establishment there could run into difficulties because of the tight rein on public expenditure but it is likely to be argued that extra spending to speed up the certification process could have a direct impact on British companies' prospects for improving exports.

## Post Office denies it wasted Prestel lead

The Post Office and the National Enterprise Board's

Aregon (formerly Inspec Viewdata) subsidiary yesterday denied suggestions made by Alex d'Agapeyeff, chairman of Computer Analysis & Programmers, that the opportunity of effectively exploiting the Post Office's Prestel viewdata technology had been "squandered".

Speaking at the final session of the Viewdata '80 conference at Wembley Conference Centre last week, Mr d'Agapeyeff said: "Viewdata is another brilliant example of poor commercial exploitation of a brilliant pioneering development."

A vast lead had been established in the general field of data retrieval, which might have been sold worldwide as an "information Coca-Cola", but poor marketing and squabbling between industry participants have so far squandered that opportunity.

The CAP chairman credited the Post Office with developing an unequalled system for the layman to gain access to a computer database. "Unfortunately the rest of the story is all downhill". In France or Japan the government would have co-ordinated a clear plan of exploitation and won the co-operation of the local terminal manufacturers, computer companies, information providers, software houses and the Post Office. The goal would have been to boost national employment, profits and exports.

## Technology News

"Alas, Britain does not have such government looking back, it is surprising that Aregon was allowed to apply public money to implement Prestel standards on both American computers and American terminals".

The British Post Office had already been strongly committed to the domestic market for Prestel, Mr d'Agapeyeff said, and that market was very small—and would continue to be very small until the cost of terminals fell.

Mass home-use of Prestel needed to be stimulated by "strong selling themes" such as gambling, games and education, but suitable themes had not emerged in Britain. The bold French attempt to replace printed telephone directories by Prestel-type telephone booklets was a good example.

The first market for viewdata could only be in business, Mr d'Agapeyeff said. Most executives were primarily interested in gaining access to their company's data, and the option of access to Prestel would be a supplementary benefit. A Post Office spokesman yesterday strongly denied the CAP chairman's allegations of weak exploitation of Prestel technology. "We have at least a two-year lead over our nearest rivals, the French".

"They have not even got a public service." While the French had talked about their planned future systems, the British Post Office had launched the world's first public viewdata service.

On the subject of Prestel systems implemented on American computers and terminals, Mr Anthony Chander, managing director of Aregon International, said yesterday: "We make money for the United Kingdom from viewdata software exports—and wherever possible we very firmly offer British hardware."

## Solar

A group of Japanese companies has begun work on an experimental solar-powered seawater desalination plant for the Japanese government on Takami Island. The plant is expected to begin test operation in about one year, producing an output of about 20 tons a day.

Collection of solar heat and desalination of seawater are to be carried out separately. This "indirect" method is claimed to be 10 times as efficient as the direct method in which seawater in a glass chamber reinforced by aluminium is directly desalinated by solar heat.

Two types of desalination technique will be used in the new plant, which is expected to pave the way for much larger, commercial systems. One unit to be made by Sasakura Engineering, uses the evaporation technique; the other, made by Hitachi and Babcock Hitachi, uses ion-exchange membranes.

## Boats

Boatbuilding is the latest industry to embrace the technology of computer aided design (CAD) with the assistance of the Department of Industry's Computer Aided Design Centre in Cambridge.

Small boatbuilders, currently experiencing shortages of skilled manpower, recently attended a seminar run by the centre to illustrate potential applications.

The computational design power of CAD is able to easily produce preliminary sketches of boats, make templates for manufacture and respond to changes in design parameters by showing pictorially the effect of those changes.

The secondary feature, where the data are used as input to a manufacturing process—as in the case of the production of templates—is the corollary of the design stage and one which the centre is providing in its computer aided manufacture (CAM) software.

Both the CAD centre at Cambridge and the National Engineering Laboratory in East Kilbride have recently responded to the recommendations of a January report by the Advisory Council for Applied Research and Development (ACARD) that the two should be merged into an Institute for Computer Aided Engineering. The Department of Industry is studying that response.

Kenneth Owen and Bill Johnston

## LETTERS TO THE EDITOR

## Possibility of foreign ownership of British Aerospace shares

From Mr Robert Atkins, Conservative MP for Preston North Sir, Since many of my constituents work in British Aerospace's Warton Division factories in and near Preston, I should like to comment on the letter from Squadron Leader Bedford about the future of British Aerospace which you published on March 24.

Squadron Leader Bedford says that the British Aerospace Bill contains no defined minimum percentage of government shareholding, and nothing which prevents the possibility of foreign ownership.

It is true that the Bill itself does not lay down a minimum shareholding in British Aerospace Ltd, but ministers have repeatedly stated that they will hold about half the equity when shares are initially offered for sale, and that while they might sell further shares in the future they will always retain a holding of more than 25 per cent.

There can therefore be no doubt about the Government's determination to retain a substantial stake in the industry. The figure of over 25 per cent is of particular significance in the context of the Government's measures to ensure that British Aerospace Ltd does not fall under foreign control. The company's articles of association will contain provisions

which set a maximum limit of 15 per cent on the proportion of voting shares which can be held by foreigners.

Ministers have said that they would if necessary vote their shares to prevent any undesirable amendment to these provisions, and a holding of over 25 per cent is sufficient to block any amendment to the articles.

The specific article restricting foreign ownership was extensively debated during the proceedings of the British Aerospace Bill Committee, of which I served. Its provisions have been developed from precedents which already work effectively for many companies and they have been drafted very carefully to prevent evasion.

For example, the definition of ownership and control have been drawn very wide, so that shares will be classed as foreign-held not only where the nominal holder is a foreigner, but also where they are held by trusts, nominees or corporations in the United Kingdom and control actually lies abroad.

No share will be registered (that is, it will not confer a right to vote) unless information has been furnished to the directors of the company to enable them to establish whether or not the share is

foreign-held and the directors will be under an absolute obligation to register any share which would bring the total shareholding above the 25 per cent limit.

In addition, ministers undertake that they will exercise their voting rights to the election to the board of directors representing interests of a substantial foreign shareholder.

For example, Sir Joseph, the Secretary of State for Industry, made this point during his speech on the Bill on November 20.

As Squadron Leader says, British Aerospace is a successful, profitable industry which makes a major contribution to our economy and to our defence.

I believe the Government policy will strengthen the company and ensure a future for it by putting it in a position where it can work in the industry leaving it free to develop according to its own interests.

Yours faithfully, ROBERT ATKINS, House of Commons, London SW1A 0AA.

## When not buying British goods can be a disastrous experience

From Mr Derrick Simon

Sir, In spite of our desire to buy British, in view of the bad publicity which British cars and commercial vehicles have received, we reluctantly decided to experiment with Japanese and German commercial vehicles. It has been a most disastrous experience!

As far as the Japanese vehicles were concerned, the absence of a replacement lay staff resulted in one van being off the road for a period of less than five months. Then, purely for brake pads, two vans were off the road, again waiting for parts, for a period of eight days.

The German van having done 2,000 miles, had the exhaust fall off which was refitted and we were told that the fault had occurred through bad driver performance in allowing the engine to idle. After a further 2,000 miles the exhaust broke again and the same excuse was used. We refused to accept the explanation and have now been told that the car manufacturers have found a fault in the suspension.

port of the exhaust system which has caused extreme vibration, and that they are redesigning it.

Had these vehicles been British, there would have been a bus and cry, but there very rarely seems to be any adverse publicity given to defects in foreign vehicles. Whatever happens we, as a company, have learned our lesson and will in future be buying only British vehicles and regret the maverick attitude adopted by the media generally.

Yours faithfully, DERRICK SIMON, Managing Director, University Tailors, PO Box No 157, London SW8 1UD, March 25.

From Mr Paul Reeve

Sir, On February 19 you published my letter regarding BL's "Buy British" advertisement. Having been somewhat critical of British industry I had hoped that I would be deluged with

leaflets extolling the performance and cost benefits of their products.

I have in fact had no responses; first, telephoned from Peugeot and Fiat offering to replace my car with their product BL's deadly bludge—Sir, do you want to run a business?

Secondly, a telephoned from the chief executive of Ltd who thanked me for the praise of the Creta dryer and expressed his apologies for the poor performance. He was swiftly followed by a letter enclosing a cheque for the cost of the repair. A small effort which will ensure that our customers' future purchases will be their product range.

Yours faithfully, PAUL M. REEVE, Managing Director, Toltec Data Limited, 24 Thompson's Lane, Cambridge, CB5 8AQ, March 25.

## Trading difficulties

From Mr Colin Dauris

Sir, Most of us who run smaller businesses share Mr Edward Frewin's concern (March 20) about various circumstances which make trading difficult and which to some extent result from government policy. Two points in his analysis, however, are unhelpful towards improving understanding of our position.

I assume usury to be the immoral practice of conspiring to lend money at extortionate rates of interest. A rate which is just a few per cent over the expected rate of inflation is not extortionate. It is dishonest for businessmen to think that they should borrow for less. There are problems associated with inflation at current rates but these will not be solved by abusing lenders.

Mr Frewin's second exceptional statement is more dangerous. It is that sensible policies maintain the delicate balance between monetarism and planning the economy. Even Mr Frewin is in view of most of the business community in this country, I find it hard to believe that it is the view of most

independent businessmen or of those who aspire to starting on their own.

"Monetarism" is shorthand for recognition of the quantity theory of money which describes the generally accepted relation between the quantity of money and its value. Central banks pursuing monetarist policies restrict the market where consumers are able to express their preferences. The economy becomes debilitated by the proliferation of non-marketed goods and services while the lawful opportunities for new businesses to start and for existing small businesses to expand are reduced. Such planning may be imposed by those who recognize the quantity theory of money as well as those who do not.

In either case small businesses suffer and so does the nation as a whole. Yours faithfully, COLIN DAURIS, Goodalls, 111, Middle Street, Nanning, Essex, March 25.

## Fairness of Greek tariffs

From Mr Anthony Holland

Sir, I find the defence of the Greek government's tariff policy by Mr Chloros (March 27) quite extraordinary. In the normal course of events, we are substantial importers of British goods to Greece in spite of import duties effectively totalling over 20 per cent and notwithstanding the fact that there is a very efficient local industry.

However, in December 1979, Greece added a further luxury tax of 25 per cent on our cloth and a requirement of a cash deposit of over 130 per cent of the value of the goods to be

held frozen by the Greek Bank for six months. I am aware that this is subject to review some time in the future but it should never have been allowed in the first place, particularly as it allows imports from Greece on such a liberal basis. Thus, for the time being, Greece has ceased to be a market for our cloth.

Is this fair? ANTHONY HOLLAND, Chairman, The Lincoft Kilgour Group Limited, 7/8 Warwick Street, London W1A 3AQ, March 27.

## Road chaos from tunnel closure

From Mr Jack Brown

Sir, Those of us who have to move goods around Greater London by road have become injured over the years to the constant battery of criticism we receive from transport "commentators"; some are more well-informed about the realities of commercial life than others. In the latter category one has long been inclined to include most London politicians at whatever level.

It was thus doubly welcome to see the joint letter from two London MPs, Mr Townsend and Mr Bottomley, which not only recognized that "London's economy is dependent upon efficient road transport", but also the considerable problems that vehicles have in coping with a road network that has changed little since the horse and cart days.

We have reached the stage where the breakdown of a

car on a key stretch of road, let alone an accident involving several vehicles, can cause chaos for miles around. Maintenance works can involve detours of miles, and require the precision of military planners to circumvent. Crossing the Thames in inner London by lorry was made difficult by the closing of Tower Bridge to vehicles of more than five tons.

It will be well-nigh impossible once the Rotherhithe Tunnel closes for nine months for repairs, as it is scheduled to do next August. Has any thought been given to the possibility of keeping the tunnel open during daylight hours, to minimize the disruption, even if the maintenance work had then to be done at night and took longer?

It seems that congestion in London throughout the working day is now accepted by British

industry as a fact of life. It has all the inevitability of weather—and is equally our control. Costs incurred are simply added to the overall cost of the car being moved.

Perhaps it is too late to give Greater London a main road network with the name. But it ought to be acknowledged, particularly by politicians with less than your correspondence the result of failing to such roads is a continuous decline in the economic efficiency of our distribution of life in London itself.

Yours faithfully, JACK BROWN, Chairman, Atlas Express Ltd, Canon Beck Road, Rotherhithe, London SE16 1DG, March 27.

## Further advance in all sectors

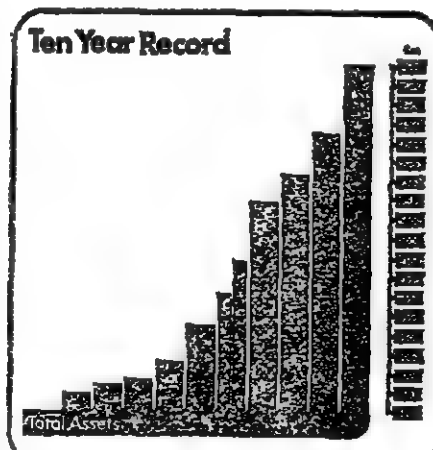
Extracts from the Statement by the Chairman, Sir Patrick Reilly, R.S.M.E., D.L.C.

1979 saw a radical change in the economic policies of the United Kingdom government. We also saw important changes in the framework within which banks operate. We wish these new policies success.

The total assets of our bank increased from £769,296,000 to £948,614,000, shareholders' funds from £33,526,000 to £39,404,000 and profits before tax from £4,016,000 to £5,749,000. Profits after tax have increased from £3,473,000 to £5,079,000. Our paid-up capital was increased by £5,000,000 and our reserves have increased to £15,409,000. Our issue in August of £75,000,000 in floating rate CD's was the largest such issue ever made on the London Market. We have substantially increased our customer base and have developed our business satisfactorily in all sectors. We are a leading member of the Foreign Exchange market and amongst our many other expanding activities our Commodities and Leasing departments have shown noteworthy progress.

Our Representatives in Birmingham, Edinburgh and Leeds have had another successful year.

We are proud that our new building has received the only Civic Trust Award in the City of London in 1979.



After nineteen years at the head of our Bank Monsieur Gilbert Géas retires as Managing Director. We wish him all success in his new post as Chairman of BNP's newly-acquired bank in California, Bank of the West. We are delighted that he should be succeeded by Monsieur Michel Berger who needs no introduction to the City of London.

Having reached retirement age I am proud to hand over the Chairmanship of the Bank to Lord Hunt of Tanworth. I have every confidence that under its new leadership the Banque Nationale de Paris Ltd will enjoy still greater success in the years ahead.

## Banque Nationale de Paris Limited

Head Office  
8-13 King William Street,  
London EC4P 4HS.  
Tel: (01) 626 5678.

Knightsbridge  
60 Brompton Road,  
London SW3 1BW.  
Tel: (01) 589 4491.

Representative Offices  
21 Melville Street, 27 Park Road,  
Edinburgh EH3 7PE. Leeds LS1 5QB.  
Tel: (053) 226 3388. Tel: (0532) 446633. Tel: (021) 236 9755.

37 Waterloo Street,  
Birmingham B2 5TL.  
Tel: (021) 236 9755.

BNP Group Head Office, 16 Boulevard des Capucines, Paris 75009

Total Group assets as at 2nd January 1980 £42,000 million

Copies of the 1979 BNP Limited Annual Report and Accounts are available from the Company Secretary.







## Federated Land & Building Company Limited

Year to 31st December, 1979

Profit before tax	£957,000 (£914,000)
Plus Exceptional Item	£155,000 —
Earnings per share	8.79p (4.43p)
Dividends per share net	3.15p (2.73p)

- \* Rents from investment properties increased to £209,000 from £196,000.
- \* Net assets including revaluation are £12,886,000 (121p per share) compared with £4,999,000 (48p per share).
- \* UK land supply for private housing very healthy and first residential development in France completed.
- \* Hempstead Valley Shopping Centre completed, fully let and trading most satisfactorily.
- \* Hempstead Valley Shopping Centre won the I.C.S.C. award for the best Shopping Centre to open in 1979 in Europe.

## FINANCIAL NEWS AND MARKET REPORTS

### Stock markets

## Steel decision helps equities advance

The steelmen's decision to return to work after the independent inquiry brought relief to the stock market yesterday. But trading remained thin.

Equities advanced in quiet trading, while gilts, which had experienced some buying in a thin market, continued to make further headway.

Trading had once again begun in a subdued mood, affected by technical factors including the four-day working week because of Easter and settlement day. Jobbers had marked prices lower from the outset following further gloomy weekend comment in the wake of the Budget, but then changed their minds in the absence of any sellers.

However, still no buyers appeared and brokers were left with the usual seasonal bed and breakfast deals and a mass of company results to enliven the proceedings.

But it was the ISTM's decision to recommend a return to work by its members after a 15.5 per cent award by Lord Lever's independent inquiry that finally tilted the balance.

Shares of Charterhall rose 5p to 70p yesterday ahead of the interim figures today which should show another loss. Talk in the market suggests a bid is on the way. Its Buchan Field interest could point to a value of about 100p a share.

However, despite prices being marked even higher it failed to bring in much business and what did appear was highly selective.

So as sterling continued to wilt and Wall Street showed some signs of another rally, the FT Index closed at its high point for the day 5.5 up at 427.0.

reported better conditions among gilt-edgeds, where prices moved higher on a bid front in thin and sensitive conditions. In long rises of between 1/2 and 1/4 were reported as a steady stream of buyers pushed them up to close at the top. At the shorter end things were a little quieter although some "switching" was encountered and variables attracted interest. In the event, gains of about 1/2 were noted throughout the list.

Leading industrials encountered some selective buying and were generally firmer, where ICI closed at the top with a 1/2p rise to 366p with Beecham at 118p and GKN, reporting later this week, at 258p, both 3p up. Fisons rose 2p to 256p along with Distillers at 197p, but Glaxo at 240p, Unilever at 408p and BATs at 226p were all unchanged.

Shares of Howard Tenes, a recent takeover counter, fell 5p

to 65p following the news of its cash call to shareholders for £1.4m. The market currently fears a glut of rights issues, while interest rates remain at their present levels.

Among companies reporting, Booker McConnell rose 6p to 223p despite disappointing full-year figures with the market warming to its proposals for a scrip issue.

Others to benefit from satisfactory trading statements included Bryant Holdings, 3p better at 63p, Macfarlane Group, up 2p to 102p, Low & Bonar, 4p to 174p, Glyndwr, 1p to 98p, and Ocean Transport, a penny higher at 107p. Making a small leeway after their announcements were Eleco at 68p, BBA Group at 44p, Federated Land & Building at 62p and Rockware, all 1p to 2p firmer. Only Reed Executive, slipping 1p to 86p, failed to make any impact.

Bernard Matthews, rising 15p to 310p, continued to benefit from the praise for its recent improved performance and scrip issue plans. BICC, reporting later this week, edged ahead 4p to 113p and Silke, with figures out today, climbed 8p to 126p.

Northwest Hoist dipped 5p to 125p as the group's attempt to go private received a last-minute hitch, but the resignation of board members helped Camrex to a 2p rise at 35p. Further reflection of Godfrey Davis's £22m deal with Renault

helped the shares another 5p to 173p, as the partial bid for 1 Target from Tinnox of Hong Kong improved the shares 4p to 15p.

Weekend press comment proved beneficial to several issues, including Associated Biscuits, 2p better at 80p, Hewden Stuart, 1p stronger at 59p, and Brown & Tawse, 3p higher at 132p. Only Stone-Platt lost ground, easing 1p to 35p.

News that Ladbroke had sold another of its casinos boosted the shares again by 3p to 132p as Pleasureana firmed 2p to 128p and Coral Leisure closed unchanged at 76p.

In engineering prices were marked higher following the news of an end to the steel strike. Hawkers rose 4p to 180p, Dowty 3p to 169p and Metal Box 4p to 248p.

The strength of the dollar gave insurance shares a boost with Commercial Union 3p up at 132p, GRE 4p to 226p, Royal Insurance 10p at 320p and General Accident 2p to 228p.

In stores, full-year figures from Combined English left share unchanged at 33p, but Freemans (London SW9) improved 4p to 124p.

Equity turnover on March 28 was £169,493m (18,354 bargains). Active stocks yesterday, according to the Exchange Telegraph, were Shell, Tricentrol, National Westminster Bank, Beecham, Coral Leisure, Glyndwr, Rascal and Unilever.

## A look at financial futures for London

By John Whitmore

A working party has formed to look into the possibility of establishing a financial futures market in London. If the hopes of its chairman, Mr John Barksdale of Mable House Holdings, are fulfilled, then such a market could be operating in London by the end of 1981.

There are, however, a number of major hurdles to be overcome between now and July the party will be addressing itself to the fundamental question of whether the conditions are right for the introduction of a realistic basis market and, if so, in what form.

In particular, the working party will be looking at the types of contract (and currencies), and the taxation and regulatory involved.

If this preliminary work well, the working party will move on to examining the ways to set up a market.

## SCOTTISH AMICABLE LIFE ASSURANCE SOCIETY

### NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the One Hundred and Fifty-ninth Annual General Meeting of the Members will be held in 150 St. Vincent Street, Glasgow G2 5NQ on Wednesday 16th April, 1980 at Noon.

By Order of the Directors

W. PROUDFOOT

General Manager and Actuary  
150 St. Vincent Street, Glasgow,  
G2 5NQ 14th March 1980.



Company	Sales	Profits	Earnings	Div	Pay	Year
per share	£m	£m	per share	pence	pence	total
Attock Petrol (I)	0.28(0.11)	0.02(0.12)	—	—	—	—
Barge (F)	2.7(4.5)	0.83(0.24)	—	—	—	—
BBA Corp (F)	127.3(120.4)	8.0(7.5)	—	—	—	—
Bryant Holdings (I)	44.0(31.0)	3.25(2.68)	7.78(5.52)	1.51(1.04)	—	—
Booker McConnell (F)	699(588)	25.1(24.5)	62.0(54.5)	7.51(6.85)	1.7	12.5(7.9)
Bombardier Stores (F)	89.6(71.0)	15.0(16.5)	7.27(5.6)	7.51(6.85)	1.7	12.5(7.9)
Dunlop (F)	151(131)	0.23(0.29)	—	—	—	—
Dunford & Elliott (F)	100.2(80.3)	0.14(1.82)	—	—	—	—
Eames Lighting (I)	0.94(—)	0.17(—)	11.5(—)	3.5(2.2)	8.5	—
Elco (I)	9.83(8.79)	0.31(0.7)	—	—	—	—
Fed Land (F)	143.3(127.6)	1.11(0.91)	6.79(4.42)	2.15(1.99)	8.5	3.15(2.73)
Felkstone Tank (F)	1.23(1.0)	0.41(0.32)	27.8(22.8)	12.3(—)	—	15.0(12.3)
Fleet Castle Sees (F)	2.25(1.3)	0.34(0.28)	6.9(5.2)	10.7(2)	21.7	1.23(1.1)
Freemans (F)	208.4(186.0)	15.0(16.5)	17.5(14.0)	2.11(2.2)	6.6	3.1
Glyndwr (F)	346.0(316.0)	18.7(16.1)	19.3(17.8)	6.7(6.7)	—	9.15(9.15)
Greencoat Props (I)	2.0(1.9)	0.002(0.02)	—	—	—	—
Hall-Thermotank (F)	79.7(81.7)	4.1(4.3)	9.3(9.8)	—	—	—
J. Hoyle (I)	3.7(2.58)	0.08(0.07)	—	—	—	—
House Property (F)	—	—	2.16(0.39)	3.3(—)	4.6	4.5(2.1)
Low & Bonar (F)	—	9.0(8.6)	—	9.3(8.1)	—	14.5(12.1)
Macfarlane (F)	15.8(12.2)	1.6(1.2)	12.33(8.43)	2.3(2.1)	28.4	4.4(4.2)
Newman Tonks (F)	19.4(14.8)	1.1(1.0)	—	—	—	—
Ocean Transport (F)	534.2(485.0)	19.73(10.14)	13.9(—)	5.84(5.58)	—	12.7(11.9)
Prov Laundries (F)	2.9(1.3)	0.3(0.1)	4.10(2.11)	0.43(0.27)	1.7	0.8(0.43)
Reed Exec (F)	31.9(22.0)	3.1(1.8)	21.0(14.4)	4.0(—)	2.6	5.6(5.9)
Rockware Corp (F)	143.0(105.0)	5.0(7.0)	20.2(17.5)	4.3(3.57)	—	—
Saga Hols (I)	11.8(11.5)	9.22(7.89)	—	2.73(2.5)	30.4	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.425. Profits are shown pre-tax and earnings are net. \*—loss; —after tax charge of £5,000 (credit £15,000); —forecast.

## Anglo American Industrial Corporation Limited

(Incorporated in the Republic of South Africa)

Review by the Chairman Mr. G. W. H. Relly for the year ended 31 December, 1979

### 1979 results

Reflecting the general recovery in the South African economy, Amic's net earnings rose by a highly satisfactory 63.2 per cent to reach R85.5 million in 1979. Earnings per share rose by 82.6 per cent from 195.1 cents to 317.2 cents per share. These figures exclude the earnings of certain foreign subsidiaries where there is uncertainty regarding the recovery of profits.

Amic's five major subsidiaries all achieved significant profit increases in 1979. The group's profits were enhanced by the inclusion of a full year's profits attributable to the increased interest in Mond Paper Company and to the excellent results of the new subsidiary, African Products. Amic's investment portfolio also performed well with investment income rising to R11.72 million. Amic's export performance was again highly encouraging, with the export revenues of the group's subsidiaries and major investments increasing by nearly 45 per cent to R230 million, reflecting the further development and penetration of export markets for group products.

The interim dividend was increased by 7.5 cents to 32.5 cents per share and the final dividend by 17.5 cents to 72.5 cents per share resulting in a 31 per cent increase in the total dividend for the year from 80 cents to 105 cents, with the dividend cover rising from 2.4 to 3.0 times. This higher retention was considered necessary in view of the continuing high rate of inflation, the increased working capital requirements arising from improved business conditions and the major capital expansions being undertaken by group subsidiaries, particularly Mond and Scaw Metals. Mond expects to commission a fourth paper machine costing some R70 million later this year and a fifth paper machine is scheduled for installation in 1981 while Scaw is proceeding with the construction of a new bar and section mill ball plant and other capital works at a total cost of some R35 million in current money terms.

The market value of the group's listed investments at December 31, 1979 was R138.8 million, reflecting a 19.7 per cent appreciation over book value of R14.7 million. Despite the disposal of Amic's interest in Romatec Limited subsequent to the financial year end, market values have increased further and the group's listed investments at March 10, 1980 were valued at R173.1 million. Unlisted investments with a book value of R34.9 million were valued by the directors at R56.7 million at December 31, 1979.

With effect from January 1, 1979 Amic disposed of its shareholding in S.A. Forest Investments (Safri) to Mond in return for the issue of an additional nine million shares by Mond to Amic. This had the effect of increasing Amic's equity interest in Mond to 62.65 per cent and reflected the further development of Mond as an integrated manufacturer of timber and paper products. I am pleased to report that Safri achieved a substantial turnaround in the year under review and earned profits of R5.3 million.

The decade has seen Amic's earnings grow by an average 27 per cent a year from an annualised R10.3 million in 1970 to R85.5 million in 1979. The size of the group has been considerably expanded and total capital employed has risen from R182 million to R375 million over the same period. This growth has been achieved despite the economic difficulties of the mid-seventies and is considered satisfactory.

### Economic review

In my previous review I expressed the hope that the rate of economic expansion in 1979 would be moderately higher than in 1978. This proved to be the case, though economic performance was hesitant with periods of relative strength and weakness in certain

sectors reflecting variations in perceptions of future prospects on the part of business, consumers and the authorities. Total manufacturing output rose by some seven per cent and as would be expected, the achievement of a significant expansion in the volume of output from a low plant capacity utilisation resulted in an escalation in profits in manufacturing.

As far as 1980 is concerned, the authorities are well placed to give substance to expectations which prevailed at the start of the year. The Budget which will be announced shortly before the publication of this review will undoubtedly aim at a further acceleration of growth. The modest overall outcome in 1979 with an associated decline in the volume of imports and further growth in exports, strongly supported by movements in the gold price, have fortified the country's balance of payments beyond the most optimistic hopes of a year ago. A further current account surplus in 1980, with the implicit accrual of capital account advantages for the years to come, is now in prospect. Surging gold mine taxes have also been a principal factor behind the continued consolidation of government finances.

In the circumstances, the problem is not the achievement of accelerated expansion in 1980 but rather the need to ensure that the nature and extent of this expansion is such that it does not detract from growth prospects in the decade ahead. The challenges are, of course, very welcome.

Domestically, the problem of inflation has become paramount. So far, it has remained essentially cost push in nature, stemming from the explosion in crude oil prices, but with the surge in export earnings and the consequent imbalance between our financial and physical resources it could become accentuated to an even greater degree. An acute shortage of skills is already apparent. Other bottlenecks will, as always, emerge as the upswing progresses, notwithstanding the enormous potential for demand to be met in the form of imports. Capacity utilisation is rising bringing closer the need for widespread fixed investment in industry and simultaneously enhancing job opportunities and accelerating utilisation of the country's manpower and financial resources. Skilled management is required to prevent the dissipation of these financial resources which have been built up since 1975, assiduously and with sacrifice on the one hand and providentially supplemented by the recent escalation in prices of precious metals on the other. This has to be achieved within a persistently uncertain international economic environment.

### Labour and productivity

There can be no doubt that the effective use of our manpower is at the core of the challenge and it is telling that a country with an enormous labour surplus is once again facing an acute skills shortage. Blame for the evident lack of self-sufficiency in this crucial area with the country having rightly given such urgent attention to others, must lie with the private sector as well as government. An understanding and acceptance of the basic tenets of a market economy, which works ultimately to the advantage of all, has some chance of emerging only if the political and business environment is demonstrably one which provides full and fair opportunities to all without discrimination. This applies no less in times of abundance, particularly when, in the eyes of some, it must seem to be occurring only in certain areas.

The changes in government policy introduced in the light of the Witwatersrand Report are most welcome. The creation of a unitary and non-racial industrial relations system is an urgent priority for the South African economy and the extension of

registered trade union rights to all but temporary foreign employees is an important step in this direction. However now that black, as well as white, coloured and Asian workers can participate in registered trade unions the next challenge to be met is that of avoiding racial polarisation in the trade union movement.

In this regard it is to be regretted that the government preference for racially separate unions was maintained in the Industrial Conciliation Amendment Act promulgated last year. In contrast to the Witwatersrand recommendation that workers should be free to decide to join separate or mixed unions, the exemptions granted to several unions early this year to become racially mixed are welcome. However, it would be more desirable if the principle of freedom of choice were incorporated in the law itself, rather than be achieved by means of ministerial exception.

Since the early sixties South Africa has experienced acute shortages of skilled workers. The creation of a collective bargaining system which includes workers of all races and will facilitate the opening of skilled jobs to blacks can ameliorate the position which becomes critical in times of economic expansion. The most common response of employers to the skills shortages in the past, buttressed as they were by statutory job reservation, was to seek to fragment jobs. This policy cannot be in the national interest in the long term and it is up to employers to facilitate the creation of a larger pool of skilled workers by promoting the training of operators, artisans and technicians. The brutal fact is that, unless South Africa can train and improve its total labour force to an efficiency and effectiveness at least equal to that of its competitors, it will lose out to competition, particularly from the East, in many fields. An understandable fear on the part of white workers and unions representing them is that they will be replaced by cheaper black labour. Such a development would not be in the medium or long term interests of either the employer or employee, white or black.

The newly created Industrial Court has the task of seeing that the principle of equal pay for work of equal value is upheld in all cases. Employers can assist the process of broadening South Africa's skilled worker base by ensuring that where blacks are advanced, this is done on the basis of non-racial standards and conditions of employment in all respects.

The government initiatives have raised expectations, and the recent build up of resources to give effect to present plans and promises is a matter which has received widespread publicity and served to fuel these expectations. In every respect, it is a propitious time for appropriate action to ensure that the country can look not only to a cyclical upswing, which is reasonably assured, but also to a period of prolonged growth.

### Outlook for 1980

Despite the constraints outlined above and the changing political influences in southern Africa, the economic prospects for 1980 are budgeting for further growth and for a satisfactory increase in earnings, although this increase is unlikely to match that achieved during 1979.

The 10th annual general meeting of Anglo American Industrial Corporation Limited will be held in Johannesburg on Tuesday, April 22nd, 1980. Copies of this review, with the annual report are obtainable from the London office of the Company at 40 Holborn Viaduct, EC1P 1AJ, or from the transfer secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EO.

### Briefly

**Fellistone Tank Developments:** Turnover for 1979: £1,326 (£1,001). Net profit: £278,009 (£238,083) after tax of £177,508 (£21,364). Pre-tax profit: £415,000 (£319,000). EPS: 2p. 3p. (23.8p). Dividend 21p gross (17.8p).

**Sun Life Pensions Management:** Funds under management have reached £100m, an increase of over 10m since end of 1978. In 1979 report and accounts Mr Philip Walker, chairman, says "outlook for 1980 remains one of optimism despite current economic and political difficulties at home and abroad".

**Birmingham Mint:** Has formed a new subsidiary, Birmingham Mint Pressings, in last two years. Birmingham Mint's turnover in non-ferrous pressings has tripled to almost £1m and pressings is now a major activity with important customers in automotive, electronics and consumer appliance industries.

**First Castle Securities:** Dividend for year to Jan 31, 1980: 3p. (1.6p). Turnover: £2,250m (£1,31m). Profit: £245,000 (£225,000) after tax charge 55,000 (credit £13,000). EPS: 6.5p (5.2p). Board concentrated its efforts on both strengthening position of group within its developing areas and pursuing activities to cover changing and widening trading circumstances.

**Elco Holdings:** Interim dividend 1.42p (1.25p). Turnover for half-year to December 31, 1979: £8,79m. Pre-tax profit: £810,000 (£707,000).

**Boyd & Son:** £310,000 interim. Turnover for half-year to September 29, 1979: £3,77m (£2,33m). Pre-tax loss: £53,000 (profit £75,000) after group and provisions and interest charge £196,000 (£101,000).

**Town Centre Securities:** Group revenue before interest for six months to December 31, 1979: £890,000. Pre-tax profit: £421,000 (£371,000).

**Arbuthnot Government Securities Trust:** Net revenue after expenses for half-year to January 31, 1980: £108,000. Total after equalisation of shares held, £52,000 (£38,000). Board made optimistic view on course of interest rates over next 12 months, and remains confident of future.

**Bogod-Petepah:** Bogod Adamson Machines, wholly owned subsidiary of Bogod-Petepah, has acquired the assets of this Engineer from the receiver for £90,500 cash. It has also acquired this Booth, makers of garment pressing and finishing equipment. Consideration was £18,000 cash for the plant, machinery, office equipment and trade marks and about £30,000 for stock. Bogod Group Pension Fund will acquire for £30,000 freehold premises in Leeds occupied by this Booth.

**Dunford & Elliott (subsidiary of Lorrain):** Turnover for 1979: £100.2m (£80.3m). Pre-tax loss: £144,000 (profit £1,821m). An extraordinary loss of £1.42m was suffered in respect of the losses on realisation of the open die forging assets, and redundancy costs incurred on the closure of this activity by Haddfields. Results were severely affected by the transport and engineering strikes during the year.

**Hous Property:** Company of London. Dividend: 6.42p gross (3.13p). Revenue surplus: £40,000 (£12,000). Tax: £19,000 (£6,000), add surplus on sale of properties: £25,000 (£79,000). EPS: 2.16p (0.39p).

**Attock Petroleum:** On-shore drilling in Sutherland of a well, in which Attock has a one fifth stake, will start early in May. The group has also lodged applications on behalf of consortia for many more acres on land. The bulletin for the half year in December 31 shows a big jump in net income from production, reflecting a full half year's output from the Gulf of Mexico and interest income reflects high rates on money on deposit. But United States has just stopped losses turning into profits.

**J. E. Sanger:** At a meeting of members and creditors the company was placed in creditors' voluntary liquidation and Mr William F. Ratford and Mr Christopher T. E. Hayward, partners in J. E. Sanger, Peat, Marry & Mitchell and Co, were appointed joint liquidators.

## Bryant Holdings

HOUSES : PROPERTY DEVELOPMENT : BUILDING & CIVIL ENGINEERING

### Interim Report (Unaudited)

	1979 half year to 30th Nov.	1978 half year to 30th Nov.	1979 year to 31st May
Turnover	£'000	£'000	£'000
Operating Profit	44,000	31,000	57,000
Share of Profits of Associate Companies	3,150	2,100	4,040
Group Profit before Taxation	108	585	718
Taxation	2,258	2,685	4,756
Group Profit after Taxation	1,694	1,092	(2,077)
Development Surplus	1,564	1,593	6,833
DIVIDENDS			
Preference	2.8p	7	2.8p
Ordinary	1.5p	300	1,049p 210
Interim	1.5p	300	1,049p 210
Final	—	—	2,950p 590
Earnings per Share	7.78p	7.92p	11.5p

\* Group profit before tax for the first half of our financial year ending 31st May, 1980, amounted to £3,258,000 compared with £2,685,000 for the corresponding period last year.

\* The directors have today declared a net interim dividend of 1.5p per ordinary share in respect of the financial year ending 31st May, 1980, payable on 30th May, to the ordinary shareholders registered on 2nd May, 1980. This compares with 1.0492p per share paid last year and reflects the desire to reduce the disparity between interim and final dividend which arose last year following the end of dividend restraint.

\* Our private housing activity has been very successful and has made the major contribution to the profit. Despite difficulties with mortgages our sales have continued to be good during recent months but cost inflation and more stable prices may combine to reduce the excellent margins achieved in the first half year. During the period we have continued to maintain the level of our land bank by further selective buying.

\* Property development has maintained momentum and further lettings have been successfully concluded with a consequent addition to our investment income. There will again be a substantial development surplus in the full year's accounts.

\* The difficulties in both building and civil engineering are well known and these activities have made only a small contribution to group profit. As announced in January, we have combined the building and civil engineering activities into one company, Bryant Construction Limited. This has enabled us to reduce our total overheads and provide a more efficient integrated service.

\* Since the half year and we have completed the one remaining contract in Saudi Arabia and achieved a better financial settlement than originally contemplated. As a result we are pleased to announce that, in respect of the provision made in the 1978 accounts, we will be able to write back an exceptional credit amount in excess of £1m in this year's accounts.

\* Our cash position remains satisfactory with unused bank facilities of over £8m. With the continued success in our homes development and property activities we anticipate a good second half year, thus enabling us to achieve our forecast made in the annual report of very satisfactory results.

31st March, 1980

Bryant Holdings Limited, Solihull, West Midlands

THIS ADVERTISEMENT IS ISSUED IN COMPLIANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT 1948 AND 1979. IT IS NOT AN INVITATION TO ANY PERSON TO SUBSCRIBE TO OR PURCHASE SHARES IN THE COMPANY.



# THE TIMES

## BUSINESS NEWS

JP 11/10/50

Accountancy  
problem of  
'a fair and true  
view', page 21

Stocks which  
front the  
C, page 21

Stock markets  
T Index 427.0 up 5.5  
T Gilt 65.48 up 1.46

Sterling  
2.1640 down 1.05 cents  
index 72.6, unchanged

Oil  
index 90.8 up 0.5

Gold  
504 up \$19

Money  
month sterling 184.18  
month Euro 191.20  
month Euro 191.19  
Friday's close

### IN BRIEF

Oil puts  
oil price  
\$2.50  
barrel

will raise its export price  
it crude oil by \$2.50 a  
from today, the official  
was reported. The price  
of \$31 has been  
since February.  
new agency said prices  
of oil will  
opportunities, but gave  
details. Iran also  
a premium on top of  
of oil price for half of  
of oil under contract.  
premium has stood at \$3  
a barrel of oil, and  
customers and those  
of their contracts are  
being charged \$4.25, in-  
sources said.

stations close  
ord 1,815 petrol orders  
in the United Kingdom  
leaving 26,580 still  
at the end of the year.  
sales were 6.4 per cent  
and 359 more than

arges laid  
h Kier, the con-  
group, said last night  
was with the preferred  
A May 1977 fraud  
inquiry followed com-  
plaint against a subsidiary,  
French (Construction).

design order  
h Shipbuilders' Tyne-  
side of Sweden. The  
a £14m order for a  
of products carrier  
a British subsidiary of  
ed States based ingram-  
tion.

prices steady  
were steady on the  
cocoa market yesterday,  
the collapse of Inter-  
Cocoa Organization  
and failure to agree to  
sion of the International  
Agreement.  
Report, page 20

icals slump  
ment in the United  
chemicals industry.  
10 per cent, said  
creating by 20 per cent  
d, according to figures  
in the official jour-  
nal Business.

order  
Lanka, national airline  
Lanka, has ordered two  
d. TriStar wide-bodied  
The order is worth  
£20m, up from £12m  
whose RB 211 engines  
over the TriStars.

ros decision  
us merchant bank says  
only to decide tomorrow  
to press on with its  
takeover bid for the  
Enterprise. Board-  
Fairy Holdings.

man promoted  
ohn Caines, secretary and  
chief executive of the  
Enterprise Board, is re-  
to the Department of  
after serving two and a  
years on secondment. Mr  
47, has been promoted  
the secretary responsible  
for policy with effect  
April 8.

it gains ground  
dollar soared yesterday  
higher level against the  
he mark for 18 months.

### PRICE CHANGES

5					
ma RST	2p to 28p	Norton Shorro	20c to 545c		
ma	5p to 70p	Ranger Oil	£1 1/16 to 69¢		
J. Hides	1p to 14p	Seagram	£21 to £173		
ma	25p to 49p	Vicki-Main	13c to 253c		
ate Exp	45p to 36p	W Rand Cons	20c to 620c		
Ind	13p to 12p	Howard Tenens	5p to 65p		
ma	4p to 46p	Jones (Ernest)	10p to 14p		
ma	15c to 38c	Middle Wits	13p to 365p		
ma	37p to 875p	Pratt & P. Cam	20p to 275p		
		Wardle B	2p to 26p		

### THE POUND

Bank	Bank	Bank	Bank
buy	buy	buy	buy
2.07	2.00	11.58	11.08
2.07	2.00	113.00	107.00
71.75	68.25	South African	1.77
2.62	2.55	Spain Pta	151.50
13.45	12.90	Sweden	9.98
1.14	1.11	Switzerland	4.15
9.95	9.55	USA	2.22
4.37	4.15	Yugoslavia Dnr	52.50
90.50	86.50		
11.35	10.50		
1.14	1.11		
1990.00	1990.00		
567.00	542.00		
4.76	4.53		

## Accountants decide on 3-year ban on debate after agreeing on new system

By Adrienne Gleeson

After 10 years of argument accountants yesterday announced the standard method of showing effects of inflation in company accounts—and promptly declared a close season on the subject of at least three years.

But the authors of the new standard (SSAP 16), point out that current cost accounting "does not measure the effect of changes in the general value of money... it is not a system of accounting for general inflation".

Mr Tom Watts, chairman of the Accounting Standards Committee, said yesterday that the ban on further debate on current cost accounting would not prevent his committee from suggesting adjustments to put both profits and capital employed on to a common price basis, to facilitate comparison over a number of years. The ASC is to produce an exposure draft as soon as possible.

It appears that the accountants, who abandoned the idea of using an adjustment to current purchasing power as a means of accounting for inflation in 1974, are now to graft it back on to the system of current cost accounting developed since.

The new standard, which is almost identical with Exposure Draft 24 (ED24), is to apply to the accounts of all public companies and "substantial" entities (excluding investment companies) which produce accounts for periods in 1980.

Substantial entities (including nationalised industries) are defined as those with two of the three criteria: annual turnover of more than £5m; a balance sheet total of more than £2.5m; more than 250 employees.

Companies may produce current cost accounts as a supple-



Mr Douglas Morpeth (left) and Mr Tom Watts: Small companies may adopt new standard.

ment to their traditional historic accounts; they may produce historic cost accounts as a supplement to the current cost variety; or they may dispense with the historic cost variety of their accounts if they give enough information for users to work them out.

Under the new standard companies are required to make four adjustments to reflect the impact of inflation on the cost of replacing fixed assets, the cost of replacing stocks, on the net monetary working capital that they show in their balance sheet, and on the real value of the loans (if any) with which the business is financed.

Mr Douglas Morpeth, chairman of the Inflation Accounting Steering Group, which has masterminded the introduction of current cost accounting, said yesterday that this method did

not alter the cash flow of the business, "but it enables managers to set aside funds in an organized way to maintain the capital of the business".

Although the new standard applies initially to large entities only, small companies are to be encouraged to use current cost accounting. Mr John Nott, Secretary of State for Trade, yesterday welcomed the introduction of current cost accounting, in particular small companies being encouraged to adopt similar provisions.

But Mr Tom Watts was doubtful that the new system of accounts would be used by the inland Revenue as a basis for company taxation. He said that discussions with the inland Revenue had started, but they forewarned difficulties if the new standard was only to be applied to a few companies.

## Dealers expect price of silver to climb

Continued from page 1

least \$244m. Mr Nelson Hunt then flew to Saudi Arabia for discussions with his Arab partners.

Last night a source close to Mr Hunt said that, so far as he knew, Mr Hunt will intend to proceed with his plan for issuing bonds backed by the 300 million ounces of silver his family and associates have accumulated. An announcement could be made today. Any announcement may affect the course of silver prices for at least the rest of the week.

Brokers in New York believe that more margin calls, possibly reaching a total of \$80m, could be made in the next few days, depending on price movements. The price of silver in New York rose about \$2 yesterday to \$12, but in London the trend was slightly down.

These brokers also think that the unexpected price rise on Friday, which was a great relief to the market, may have been caused by some central bank buying. As evidence they point to the unusually wide difference between spot and future prices that day.

But what is certain is that many investors were hedging by going short to cover long positions. Of the 38,000 contracts traded in the New York Commodities Exchange on Friday, no less than 23,000 were short for April delivery. This implies that investors were not expecting a sharp recovery in silver.

Mr Norton Walcott, from Commodity, the commodity dealing arm of the giant Continental Grain Corporation, said, however, he believed silver to be fundamentally oversold. He expects a steady return to prices of about \$20 an ounce.

Bache itself echoes these views, saying it feels the market is under control. The company says its financial structure has not been impaired and that it has not had to draw on a credit line of \$24m available from New York banks.

## 180pc jump in carpet imports from US

By John Huxley

Carpet imports from the United States into Britain totalled 1,289,000 metres in the first two months of this year—180 per cent up on the same period in 1979.

The figures, released yesterday, are likely to be used by the carpet industry to support its demands that the Government make a further appeal to the European Commission to curb imports.

Earlier this year the commission refused permission for Britain to curb imports of synthetic fibre tufted carpets. Controls were sought primarily to halt the flow of goods from the United States, where producers benefit from artificially low feedstock prices.

The commission conceded the case for controls on polyester filament yarn and nylon carpet yarn, but said that the level of import penetration by carpets—about 84 per cent at that time—was not high enough to justify import curbs.

Mr Leonard Regan, president of the British Carpet Confederation, said yesterday that import penetration was now well into double figures. The timing of a further approach to the Government would depend on feeling within the carpet industry, he added.

Almost 2,000 jobs have been lost by the industry in the past six months. Although it has faced problems caused by high interest rates and the relative strength of sterling, cheap imports from the United States have been singled out as a factor in the industry's contraction. The Department of Trade is monitoring imports closely.

Textile industry hopes that it will be given greater protection from low-cost imports have

been raised by a statement by Mrs Thatcher that the Government intends to "press for a continuation of effective restraints" when the present Multi Fibre Arrangement, which textile trade is regulated, expires at the end of 1981.

Previously, ministers have talked of ensuring "orderly marketing arrangements". The industry will submit proposals for "effective restraints" to the Government within the next few days.

Meanwhile the International Wool Secretariat announced in London that agreement had been reached with Peking. This will mean selected Chinese mills will be authorized to use the Woolmark. China is to progressively increase imports of raw wool from Australia and New Zealand.

Dr Gerald Lazer, managing director of the IWS, said: "The Chinese authorities have clearly stated that they will not disturb export markets by price cutting through selling Woolmark goods at 'breakfast prices'."

Derek Huxley writes: Retailers of carpets are concerned about quality, product range and capacity to meet their volume requirements, according to a survey of members of the Retail Consortium.

Mr Richard Weir, the Consortium's director, who announced the survey results yesterday, said the price advantage of imports was the factor most frequently mentioned by retailers. However many companies are turning to high-cost countries because of better quality of finish.

British producers were also unwilling to agree long-term fixed contracts because of their difficulty in forecasting future cost trends.

## Scope for small businesses in the countryside Growth industry down on the farm

Farmers who flout planning laws by renting disused buildings for small businesses to make a start are about to get some help not only from the Small Business Bureau but also government ministers.

At a moderate estimate there are four million square feet of old piggeries, cowsheds and other buildings which are being secretly let mainly to one-man businesses; at least 20,000 would otherwise be unemployed.

A plan for new legislation more favourable to the industrial use of some farm buildings, announced yesterday by the Small Business Bureau, was welcomed by Mr David Mitchell, Under Secretary at the Department of Industry, whose special responsibility is small businesses development.

Small businesses which could not afford to rent new factory premises still needed somewhere to start yet the "all-pervasive nature of planning controls was to stifle out new businesses at birth", Mr Mitchell said.

Mr Mitchell is holding discussions with Mr Michael Heseltine, Secretary of State for the Environment, who is already preparing a circular for local

authorities urging them to be more sympathetic to planning applications for non-farming use of some agricultural buildings.

But Mr Michael Grylls, Conservative MP for Surrey North-west and chairman of the Small Business Bureau, also hopes that amendments may be incorporated in a new planning Bill now passing through Parliament. Several MPs are expected to press for amendments.

The problem of how to change the legislation without allowing industrial use of farm buildings to get out of hand was tackled in a plan published by the bureau yesterday putting forward a policy to help small businesses find first premises. It was prepared by Mr Andrew Rowe, a former director of the bureau who is now a consultant.

Mr Rowe said that although Britain was studded with disused farm buildings many local authorities shied away from giving permission for other uses although they had considerable freedom, in theory, to grant permission.

Non-industrial users would produce income for farmers, rates income for local authorities which is lost where there is clandestine use of buildings, and bring jobs back to rural areas, Mr Rowe said.

## BL back in production on all models

By Clifford Webb

With the return of 4,000 Rover car workers yesterday British Leyland has now resumed production of all its models. The workers' return coincided with the ending of the controversial "Buy British" campaign which after a poor January and February produced record sales in March.

Figures for the whole month are not available yet, but the first 20 days saw BL's market share increase from an all-time low in January of 15 per cent to 18 per cent in February, and 23 per cent in March.

The cutting of Maxi prices by as much as £400 trebled March sales to well over 5,000. Extensive discounting of the Rover saloon series increased sales to 3,500 compared with 2,000 in March 1979.

From today all Marina models will be subject to a 10 per cent price cut in an attempt to clear existing stocks before a replacement model—just starting produc-

tion at Cowley—comes on to the market in two months.

Discounting to this extent over the past three months was a desperation measure to be resorted to only when a company faces a cash flow crisis. Sir Michael Edwards, the BL chairman, has admitted that maintaining an adequate cash flow is taking precedence over profits, but the after-effects of such excessive price cutting will take a long while to shake off.

The sale of cars such as Rovers at £2,000 below list price, depresses the new and second-hand markets for these models for at least six months.

Production of the TR7 sports car began yesterday at Rover Solihull. It is being switched gradually from Triumph's Coventry plant about four miles away and which is earmarked for closure as part of the recovery programme involving 13 other plants and 30,000 redundancies.

National union leaders and the union side of the BL Cars joint negotiating

committee meet in Coventry tomorrow to consider the committee's recommendation that all 11 manual unions at BL should declare an official strike starting on April 8.

This is the day that the company has said it will impose its pay and conditions package after the breakdown of negotiations which lasted for nearly five months. Senior shop stewards from all 36 plants have been called to a meeting immediately after tomorrow's crucial union meeting.

But there are indications that workers are divided in their support for a strike which could see the end of BL in its present form. The electricians' union and the patternmakers' union have already told management that they will not take part. The national executive of the Amalgamated Union of Engineering Workers will today hear the result of shopfloor meetings called during the past few days to enable members to vote on the strike call.

## US budget shows extra \$15,000m spending cut

From Clive Cookson

Washington, March 31 President Carter today sent Congress his long-awaited balanced budget for 1981. It represents a \$15,000m (£5,747m) cut in government expenditure from the original version which was announced in January.

Total federal outlays in 1981 will be \$611,500m (£234,291m). Receipts, including the 10 cents a gallon petrol "conservation fee" announced two weeks ago, are estimated at \$628,000m (£240,612m), giving a surplus of \$16,500m (£6,329m). The January budget would have produced a \$16,000m (£6,130m) deficit.

The proposed spending cuts and deferrals are spread widely across the federal government. Even the Defence Department is down for a \$1,000m (£383m) cut (mostly in destroyer overhauls and aircraft procurement). But that would still leave the Pentagon with some growth in military programmes for 1981.

Other cuts include the elimination of federal revenue-sharing grants to states \$1,700m (£651m) and of anti-recession aid to cities \$1,000m (£383m). The administration is not proposing any reduction in social security benefits, but it wants to save \$860m (£330m) by delaying planned reforms in the welfare system.

Meanwhile the House of Representatives budget committee's list of 100 million has already proposed a \$612,000m (£234,462m) total. The committee's list of spending cuts looks very similar to the one announced by the President today.

Mr Carter and his Office of Management and Budget worked closely with Congress on the preparation of their budget cuts, which are part of the inflation-fighting package announced by the President on March 14. The measures also include credit controls and energy conservation.

For 1981 the administration is still projecting a return to single-figure inflation. The updated forecast is that the consumer price index will rise by 9 per cent in 1981—near to January's prediction of 8.7 per cent.

In the past the administration's projections of future inflation rates have consistently turned out to be too optimistic. President Carter's revised economic outlook still sees a recession in 1980, though it is now expected to be shallower.

The President included a new set of economic forecasts in today's budget announcement. Assets among a 12.8 per cent increase in the consumer price index for the fiscal year 1980 (which includes the final quarter of 1979). That is considerably more than the 10.7 per cent rise forecast by the administration in January.

## Wedd to end link with Rothschilds

By Philip Robinson

Leading stock jobbers Wedd Durlacher Mordaunt is to buy back the partnership held in the firm by Rothschild Investment Trust for an undisclosed sum and break the ties with RIT after nearly 10 years.

Both sides stressed last night that the break was amicable and will not be completed for some years.

Under arrangements made four years ago when Wedd turned from a limited company into a partnership, Rothschild Investment Trust had the right to around 15 per cent of assets but retained the right to 15 per cent of profits.

RIT is understood not to be surprised at Wedd's move. There has been speculation in the City that given that the Stock Exchange rule book is being referred to the restrictive practices court and the still unclear dual-capacity role of jobbers in international markets, jobbers may well be vulnerable to takeover by merchant banks.

Mr Robertson said: "We are not running away from a takeover. In any case, RIT is an investment trust, not a merchant bank. I would have thought that the dual-capacity system could well mean that a merger between a broker and a jobber would make more sense... but that does not

will continue as a partner for at least the whole of Wedd's next trading year to April 1981. Mr John Robertson, Wedd senior partner, said yesterday: "We have not decided when the link should end. It would take two or three years."

Rothschild's links started at the turn of the decade when RIT took a 15 per cent stake in the preferred ordinary shares of Wedd Durlacher Mordaunt Ltd, which entitled it to take that percentage of profits, and had a claim on 10 per cent of the assets in the event of winding up.

When Wedd went into partnership in 1976, RIT relinquished its claim on assets but retained the right to 15 per cent of profits.

RIT is understood not to be surprised at Wedd's move. There has been speculation in the City that given that the Stock Exchange rule book is being referred to the restrictive practices court and the still unclear dual-capacity role of jobbers in international markets, jobbers may well be vulnerable to takeover by merchant banks.

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Mr John Robertson: "Not running away from a takeover."

mean we are doing this as preparation to merge with anyone either."

RIT said that the compensation for loss of the partnership would not be disclosed although it is substantially in excess of the £1.2m which the original stake cost, although the payment would not be as much as £10m.

## Big strides towards shorter week

By David Felton

Labour Reporter

Almost one fifth of the United Kingdom workforce has won a reduction in working hours during the last two years, according to a report published today.

Bargaining Report, published by the Labour Research Department, an independent research unit which collects information on wage settlements for trade unions, says that those in the public sector have been the most successful in the public and private sectors in having signed since the beginning of 1978.

The report covers 59 national agreements and 247 local agreements and while in many cases

the shorter working week is being phased in over the next year or so, 750,000 workers already have the shorter week.

Agreements being negotiated at present for almost one million building and printing workers will probably include shorter working hours claimed by the unions.

The report shows that shorter hours apply to a slightly higher proportion of private sector workers than those in the public sector. Among white collar unions 35 hours and under is now a practical target for negotiators, particularly in jobs such as printing affected by new technology.

Labour Research says that for

manual workers a one-hour cut in the 40-hour week is a common formula although a number of big companies have agreed to larger reductions. These include Metal Box, Ronson Products, BAT, Dunlopillo, Fisons, Reliant Motor Company and Beecham Pharmaceuticals.

"Overall the conclusion must be that the trade union campaign for a shorter working week has made major advances in last two years. Employers' traditional defence—that 'going it alone' is suicidal—no longer applies", the report says.

Bargaining Report, published by Labour Research Department, 78 Blackfriars Road, London SE1 8HF, price £1.35.

## "Over One Million Investment Accounts"

Highlights from the President's speech delivered at the Annual General Meeting of Bradford & Bingley Building Society, held in Bingley on 31st March 1980.

### INVESTMENTS

"During the year we opened over 220,000 New Investment Accounts and at the end of the year the number of accounts exceeded one million."

### ASSETS AND RESERVES

"Assets increased by £154 million to £1,182 million and have grown five fold in the last decade. Reserves now stand at £47.5 million, representing 4.02% of Total Assets, a very adequate reserve ratio for a Society of this size."

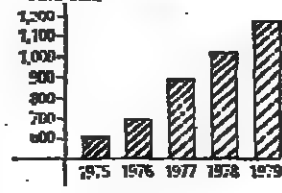


Mr J. Peter Knight, T.D., LL.B., President of the Society

## "THE AMOUNT LENT TO NEW BORROWERS WAS £227 MILLION"

Over 7,500 Advances were granted to first-time purchasers. 5,000 Advances, totalling nearly £50 million, were granted on property built before 1919.

### ASSETS DA



### THE FUTURE

"Two new savings schemes have been introduced in 1980: Extra Interest Account for stable funds and Homebuilder which is designed to guarantee a mortgage at the end of two years"

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## FINANCIAL NEWS

Increasing optimism  
Rockware Group

David Allen, first-time contributor to new acquisitions, says the Group has reduced its pre-tax total of £4.5m per year to £2.5m per year to December 30. While the group says it is gripped with problems of hard-pressed glass and engineering divisions and is using a "greatly improved" performance this year, the increased dividend is a final dividend of 6.17p gross, which is not total for the year up to 9.5p, earnings per share dropped from 27.55p to 15.15p.

fractionally to 27 per cent. A poor summer and flat pre-Christmas season prevented the group recovering ground lost during the road haulage strike, which is estimated to have cost £3m. Engineering losses spiralled from £160,000 to £210,000, mainly reflecting troubles at Rockware Kingspeed, which has come into the black since the year-end after a substantial reorganisation. Plastics contributed £25m against £399,000 at the operating level helped by acquisitions including Alida packaging and the plastic bottle operations of the American Dart Industries. Financing takeovers has, however, helped to push interest charges from just over £1m to £2.73m, while an extraordinary deficit of £1.3m below the line chiefly reflects the write-off of goodwill on the Alida acquisition. After the 1979 acquisitions, which also included Longworth Paper and Plastics and Britania Plastics (now renamed Britania Packaging), Mr Craigie says that the group's emphasis has switched away from being solely a glassmaker. Partly as a result of the takeovers group borrowing costs have risen to about £23m or just under 50 per cent of shareholders' funds at the year-end.

Tenens  
in £1.4m  
cash call

By Our Financial Staff

Howard Tenens Services, the distribution and engineering company, is raising £1.4m via a one-for-four rights issue at 40p a share. The issue comes two weeks after the shares returned from suspension after the breakdown of talks on a takeover approach. The main use for the cash is to expand the storage and distribution facilities, which are proving the most profitable areas of trading. Specifically the company has an agreement to lease 51 acres in Andover, Hampshire, and planning approval for an 80,000 square foot warehouse costing an estimated £1.2m and due for completion in July. Meanwhile, surveys by Cowan are valuing the company's properties, which is likely to result in a figure of £13.5m, or £3.6m over the book value in the last accounts. Profits for the year ending yesterday are estimated at £1.1m against a loss of £261,000 last time. Trading prospects are said to be good. A final dividend of 1.83p gross, making a total of 3.26p, is to be recommended and this level of payment is hoped to be maintained on the increased capital.

## Setback for Dresdner Bank

## International

Dresdner Bank's balance sheet total fell by more than DM2,000m (£484m) in the first two months of this year from the levels recorded at end-1979, while the pressure on interest margins continued, management board spokesman Herr Hans Friderichs said.

The bank's 1979 trading report shows that the parent company's balance sheet total at the end of 1979 stood at DM77,600m, against DM71,000m

at the end of 1978, while net profits fell to DM207m from DM223m. The bank's interest margins last year were reduced to an average 2.2 per cent from 2.4 per cent in 1978. Towards the

end of 1979 they were slightly below 2 per cent.

An adequate margin should be more in the region of 3 per cent, said Herr Friderichs.

The bank's interest surplus rose by 4.7 per cent to DM1,500m. Business volume rose by 10.6 per cent to DM79,000m.

The previously announced parent company 1979 net profit was DM207m (DM223m).

## Snia Viscosa cuts losses

Snia Viscosa, the Italian maker of synthetic fibres, said it cut its losses by more than half during 1979 but will still have to write down its capital to cover the deficit.

Snia, which is 39 per cent controlled by chemical company Montedison, narrowed its loss to 32,337m lire from 79,206m in 1978. Group turnover rose 17.5 per cent. The company attributed the loss to overcapacity in the fibres sector, high interest charges and increases in the cost of labour and raw materials.

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The company attributed the loss to overcapacity in the fibres sector, high interest charges and increases in the cost of labour and raw materials.

## AECI looks to good year

Profits for 1980 of AECI of Johannesburg are expected to show a further substantial improvement due to anticipated favourable economic conditions, the chairman Mr Harry Oppenheimer states in his annual report.

demand over the past year has been such that several plants, notably those producing low density polyethylene and synthetic fibres, have been operating at full capacity, Mr Oppenheimer said.

## Hypo Bank earnings rise

Bayerische Hypotheken und Wechsel Bank (Hypo Bank) reported that its net earnings rose 13.8 per cent to DM91m (£22m) in 1979, but Herr Wilhelm Arendts, managing board chairman, called it a "bad" year for banking and said he was not sure the negative trends would end in 1980.

Assets of the parent bank were DM53,400m at the end of 1979, up 15 per cent from end-1978, but down from the 17.2 per cent growth rate in 1978 from 1977. In the first two months of 1980, Herr Arendts said, Hypo Bank's assets had dropped by about DM1,000m. The parent bank will pay an unchanged DM9 dividend per DM50 nominal share.

Booker McConnell  
up slightly at £21.8m

By Michael Prest

A strong pound, strikes and high interest rates kept the increase in last year's pretax profits at Booker McConnell, the engineering, trading and food distribution company, down to just 1 per cent at £21.8m.

The dividend is up 57 per cent and the number of shares issued is to be quadrupled. External turnover rose substantially from £58m to £66m. While the engineering division's profits fell by 36 per cent to £5.8m, all the company's other activities raised profits by a total of 28 per cent to £15.9m. Engineering, usually the company's biggest profit earner by a wide margin, was already showing the effects of the haulage strike half way through the year when profits were £3.4m against £4.7m. But Mr Michael Caine, the chairman, says that the engineering strikes were less harmful than might have been expected.

Exchange losses were more important, showing an increase from £389,000 to £1,26m. Interest charges also rose steeply from £1.49m to £3.87m. Mr Caine added that the decline in public spending adversely affected demand for engineering projects in water treatment, sewage, and pumps. The best performer was overseas trading, where profits achieved an 81 per cent increase to £1.3m. Food distribution was up 29 per cent at £4.3m. The company's literary and film rights, which include such authors as Agatha Christie, Ian Fleming, Denis Wheatley, George Heyer and Robert Bolt, did 33 per cent better at £1.2m. The pretax profits figures include a surplus on the disposal of profits in normal trading of £1.72m. Mr Caine says the directors value their prop-



Mr Michael Caine, chairman of Booker McConnell.

erties at £20m more than is entered in the balance sheet. Another factor which helped the amount available for distribution to shareholders was an unexpectedly low tax charge of £2.41m, down about £2m.

Earnings per share were 62.05p compared with 54.81p in 1978. A final dividend of 17.85p gross is well above the previous year's 11.36p, an increase that Mr Caine says is simply to make up for years of dividend restraint.

At the same time, Booker is proposing to split each 50p nominal ordinary share into two 25p shares and to issue to shareholders two new fully paid 25p shares, thereby quadrupling the number of ordinary shares issued. Borrowings are £27m, which the company says is beginning to approach its gearing limit. Capital expenditure in 1979 was £20m, some £8m more than the year before. Since the end of the last financial year £10m has been spent on acquiring Kearley & Tonge, a food distributor.

Western Areas  
Gold Mining  
Company Limited  
(Incorporated in the Republic of South Africa)

Member of the Johannesburg Consolidated Investments Group of Companies

Highlights from the 1979  
Annual Report

Operating profit increased from R32 486 000 to R79 186 000 principally as a result of the higher average gold price received of U.S. \$316 per ounce, as compared with U.S. \$204 per ounce in 1978.

Dividends increased from 20 cents per stock unit to 47 cents per stock unit which absorbed R18 944 000.

Expenditure on capital account amounted to R41 784 000 as compared with 18 165 000 in 1978. This was considered to be necessary for the maintenance of a production tempo commensurate with the potential resources of the mine and advantage was also taken of the favourable terms offered by suppliers of long life items of equipment. Expenditure for 1980 is estimated at R50 000 000.

At the North Shaft development of the Middle Elsburg reefs continued and two reef raises from 50 to 45 level were holed. Encouraging gold and uranium values are obtained, particularly on the E88C reef.

The sinking of the 4E sub-vertical shaft commenced and access and preparatory development for the sinking of the S.V.3 sub-vertical shaft were largely completed.

As announced in the press on 23rd January, 1980 the Nuclear Fuels Corporation of South Africa (Pty) Limited succeeded in negotiating a uranium sales contract on behalf of the company. The interest-free loan of R30 000 000 associated with this contract will assist in the financing of the construction of uranium recovery facilities. Loan repayments will be geared to deliveries of uranium oxide, which are scheduled to commence in 1983.

Gold production declined marginally as the recovery grade was reduced to 5.3 rams per ton compared with 5.6 grams per ton in 1978. In accordance with the company's declared policy of gaining the greatest long-term advantage from increases in the gold price it is the intention to lower the recovery grade to below 5 rams per ton. Such a decision must take account of the impact of the anticipated high rates of inflation on working costs and capital expenditure, on the anticipated average gold price for 1980, and on the need to maintain dividend distributions at a reasonable level.

P. A. von Wielligh  
Chairman  
31st March, 1980

The attention of stockholders of Elsburg Gold Mining Company Limited is drawn to the above highlights.

## SUMMARY OF OPERATIONS

		Year ended 31st December	
		1979	1978
Tons milled	— 000's	4 339	4 141
Recovery	— grams per ton	5.3	5.6
	— kilograms	23 199	23 184
Revenue	— per ton milled	R45.37	R41.97
	— per ounce	U.S. \$317	U.S. \$204
Costs	— per ton milled	R27.43	R24.28
	— per ounce	U.S. \$182	U.S. \$155
Profit	— per ton milled	R17.94	R17.69
	— per ounce	U.S. \$135	U.S. \$49
Average price received for gold:			
	— per kilogram	R3 480	R5 892
	— per ounce	U.S. \$316	U.S. \$204

The annual general meeting of the company will be held in the board room, Consolidated Building, corner of Fox and Harrison Streets, Johannesburg, on Monday 19th May, 1980 at 9.15 a.m.

Note: Copies of the Annual Report will be sent post free on application to:  
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- extensive working experience in Germany and Britain;
- detailed knowledge of the business practices and language of both Britain and Germany;
- two qualifications in business — one British, and one German.

Post to: Admissions Office, Middlesex Polytechnic (ref. C437C), 114 Chase Side, London, N14 5PR. 01-268 6539 for details and application form for the BA Honours in European Business Administration.

Name \_\_\_\_\_  
Address \_\_\_\_\_

Middlesex Polytechnic

## TURNER &amp; NEWALL REPORTS ON 1979

# "A problem year... but recent investment and diversification are sources of strength in the years ahead."

from the Statement by the Chairman, Stephen Gibbs

Profits: down at home,  
up overseas

It was a problem year for T&N with low home demand, particularly in the automotive and construction industries, and general industrial unrest proving major factors in a fall in trading profits by £6.3m to £38.2m, and pre-tax profits by £12.2m to £27.5m. The trading profits of the UK companies fell by £7.4m to £17.9m.

Our trading profits from companies overseas increased by £1.0m to £24.6m, reflecting our continued policy of overseas expansion.

## Zimbabwe Rhodesia

For the first time in 14 years we have access to our asbestos mines in Zimbabwe Rhodesia. In the interim, our mining company there has considerably increased its net asset value, whilst our manufacturing company has diversified into steel tubes and pipes, and automotive components.

## New plant on stream

1979 was the year in which a number of our recent investments came on stream.

We completed our £18m Aycliffe PVC resin plant, further strengthening our position in the expanding plastics market.

Our new £8 million glass fibre insulation plant in the North East also started up.

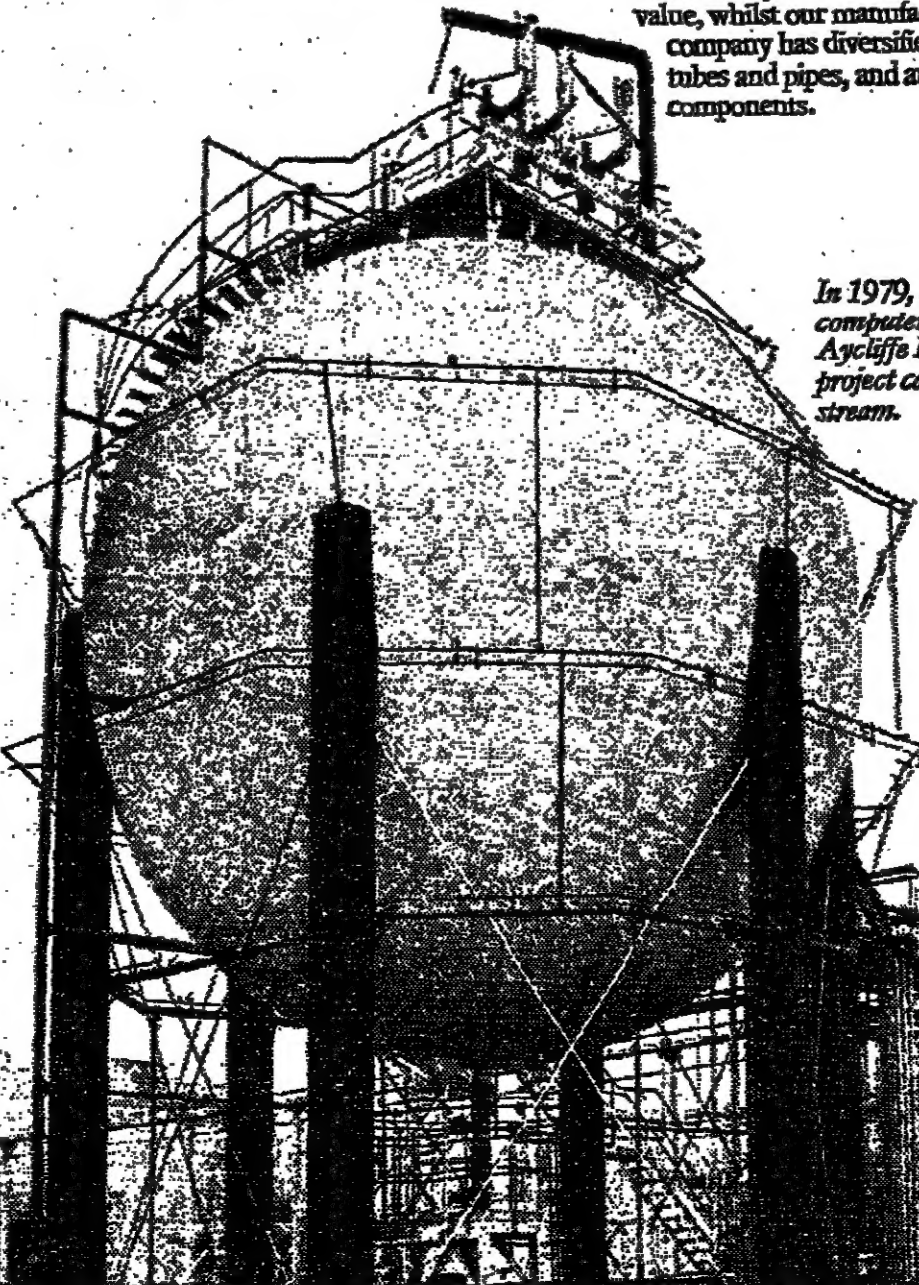
Our policy of providing a worldwide network to service the automotive industry took a step forward with the opening of new automotive components factories in Smithville, Tennessee and in Ibadan, Nigeria.

Hint, our specialty chemicals subsidiary, had a successful year marked by the completion of new plants in the USA and Belgium, both of which have now started production.

During the year, we invested a total of £16m at home, and £18m overseas.

## Dividend maintained

Our total dividend for the year was 11.5p per £1 stock unit, the same as in 1978.



In 1979, our £18m computer-controlled Aycliffe PVC resin project came on stream.

TURNER  
& NEWALL  
LIMITED

Providing what the future needs

To: Public Relations Dept., Turner & Newall Limited,  
20 St. Mary's Parsonage, Manchester M3 2NL.  
Please send me a copy of the Turner & Newall 1979 Report and Accounts.

Name \_\_\_\_\_  
Address \_\_\_\_\_











